



Energy bill passage unlikely

Lugar expects debate, but no one sees the 60 votes needed

By **BRIAN A. HOWEY**

ZIONSVILLE - It is an extremely narrow window, the next two weeks, that provides the dramatic scenario for the best chance of a landmark energy bill to emerge from the U.S. Senate. It is an opportunity that may not present itself again for years if not decades. Multiple Senate, utility and environmental groups tell *Howey Politics Indiana* that bills by U.S. Sen. Dick Lugar and Senate Energy and Natural Resources Chairman Jeff Bingaman stand the best chance of gaining what could be the elusive 60 votes.

An emerging bill, however, is unlikely to include a cost on carbon, "The number of votes for cap-and-trade are slipping," said John Goss, who heads the Indiana office



Sen. Dick Lugar is not optimistic his energy bill or any other will pass out of the Senate before the August recess. (Lugar Senate photo)

of the National Wildlife Federation. "It's nowhere near the 60 votes," particularly after the death of U.S. Sen. Robert Byrd, D-W. Va.

"This is our best chance in a decade," Goss said. But Andy Fisher, spokesman for Sen. Lugar was

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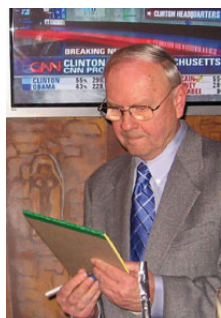
No parades for Chocola

By **JACK COLWELL**

SOUTH BEND - Back when Chris Chocola represented Indiana's 2nd District, he had just one vote in Congress, his own. Now, as president of the Club for Growth, Chocola seeks many more votes in Congress through election of "pro growth" conservatives "who all vote the same way I would."

Chocola likes this role, so much so that he says he can't imagine ever again running for any political office.

"I have a job in politics and I don't have to do parades, which I appreciated last (July 4th) weekend," Chocola



"I think there's no doubt there are enough seats in play that could cause Republicans to gain control. There's no doubt about that."

- Robert Gibbs



Howey Politics Indiana

is a non-partisan newsletter based in Indianapolis and published on the campus of Franklin College. It was founded in 1994 in Fort Wayne.

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Subscriptions

\$350 annually HPI Weekly
\$550 annually HPI Weekly and
HPI Daily Wire.
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U.S. Rep. Chris Chocola shakes hands with Joe Donnelly during a 2nd CD debate in Rochester in 2006. Donnelly defeated Chocola, who now heads the Club for Growth. (HPI Photo by Brian A. Howey)

explains, laughing but also serious about leaving the parading to others.

It's a powerful job in politics.

Fox News once featured Chocola as "Power Player of the Week."

That power was demonstrated in the Club's defeat of Sen. Bob Bennett of Utah, a three-term Republican who had been popular, scandal free and generally regarded as a staunch conservative. But not conservative enough for the Club.

Bennett's mistake, Chocola says, came amid the health care reform debate when the senator reached across the aisle to join in offering a bipartisan compromise that still was "government run."

"We urged him to back away," Chocola says. He didn't, continuing to talk compromise, although voting against the final health care reform legislation that Chocola refers to with disgust as "Obamacare." The Club now seeks pledges from congressional candidates that they would seek repeal of the legislation.

Miffed at Bennett's compro-

mise approach on health care, and support of the bank bailout as well, the Club began running TV ads attacking Bennett.

"We also got involved in the caucuses and explained to voters how to go to the caucuses," Chocola relates. "Attendance at the caucuses more than doubled."

Utah Republican State Convention delegates selected in those caucuses amid tea party fervor then deprived Bennett of the Republican nomination for a fourth term.

Chocola said then that defeat of Bennett "will set off a political earthquake in Congress."

It certainly gave a strong message to any Republican thinking of compromise that reaching across the aisle can lead to a Club for Growth clubbing in the next primary.

Sen. Arlen Specter of Pennsylvania cited Club opposition as one of his reasons for switching to the Democratic Party. Specter then lost in the Democratic primary. Former Club President Pat Toomey became the



Republican nominee.

Chocola notes that the Club began promoting Marco Rubio for the Republican nomination in Florida's Senate race back when Gov. Charlie Crist was way ahead in polls. Rubio's challenge grew so formidable that Crist was forced to drop out of the Republican primary and seek election as an independent.

Critics of the Club, including Republicans who say it threatens to tear down the "big tent" needed to attract sufficient voters for GOP victories, cite races where the Club weakened or defeated Republicans in primaries, with Democrats winning in the fall.

Chocola counters that victories don't mean that much if the winners can't be counted on to support what the Club regards as vital for economic growth - lower taxes, less government and a free market.

How does the Club have clout?

They "bundle" checks and send them on to candidates, Chocola says. He explains that the Club's 55,000 members look to the organization for recommendations on



where to send contributions for maximum help in electing candidates endorsed as "pro growth." Only 13 candidates have been endorsed thus far in the primary elections. Endorsements for the fall come later.

Decisions are pragmatic.

"Even if we love a candidate, we're not going to support somebody who is going to win for sure or is going to lose for sure," Chocola says.

What about the 2nd District, represented by Chocola for two terms before he lost to Democrat Joe Donnelly in 2006? Will the Club bundle hundreds of thousands of dollars in contributions and also make independent expenditures to help Jackie Walorski, the Republican nominee now challenging Donnelly?

Chocola says he doesn't know if Walorski will be one of the relative few candidates to be selected by the Club for endorsement this fall.

"Taking off my Club cap, I can say that I am personally supporting her," Chocola says. He plans a fundraiser for Walorski at his Culver house in August. ❖

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skeptical anything will pass. He said that if Majority Leader Harry Reid gets a bill to the floor, "There will be debate and some consensus. But I just don't see how the process will get 60 votes. I don't think this is in Reid's agenda due to a number of factors, including Reid's own reelection."

Beyond the Senate, Fisher said there would be a huge gap between anything the Senate passes and the Waxman-Markey bill that passed the House. "Just given the political climate right now, a conference with Waxman-Markey would not be popular in the House. Most don't want that vote to come up."

White House spokesman Robert Gibbs told reporters July 1 that President Obama has "not made any final determinations about the size and scope of the legislation, except to say that the President believes, and continues to believe, that putting a price on carbon has to be part of our comprehensive energy reform." Obama met with Lugar, Bingaman and 21 other senators in late June and urged them to find a bipartisan approach.

Congress Daily reported earlier this week that Bingaman's bill includes a renewable electricity standard that mandates the use of renewable energy like wind, solar and geothermal by requiring an increasing percentage of the nation's energy mix to come from those sources. Lugar has a broader measure dubbed a "diverse energy standard," which incorporates nuclear and "clean coal" technology as

qualifying energy sources. It also does not rule out natural gas as being included. The Lugar bill would require that 15 percent of power come from clean energy sources by 2015. This portion of Lugar's bill is similar to a proposal Sen. Lindsey Graham, R-S.C., floated this year. Graham has signed on as a co-sponsor to Lugar's bill after bolting from climate negotiations with Sens. John Kerry, D-Mass., and Joe Lieberman, D-Conn., in April.

An Indiana-based utility lobbyist analysis provided to HPI explained, "The Senate has a small window in which to act before the August recess and midterm elections. The Senate is still working to complete the financial regulatory reform bill and is expected to take up tax extenders, legislation in response to the Supreme Court decision regarding corporate political spending, and Elena Kagan's Supreme Court nomination. A likely scenario would be for Reid to bring up an energy bill and allow proponents of pricing carbon emissions to offer their plans as amendments. If he is able to get 60 votes for a package, whether it caps carbon or not, in the end, cap-and-trade would be back in play."

In the BNA Daily Report for Executives, Lugar aide Mark Helmke said the outlook for the Senate bill stands in stark contrast to the mood in the weeks after President Obama's election in 2008. Democratic congressional aides told an audience at United Nations-led climate talks in Poznan, Poland, that the United States was ready to lead the way to an international climate agreement and would lead by example by moving a bill to broadly cap U.S. greenhouse gas emissions.



Democrats' near-60 vote majority in the Senate "doesn't guarantee" passage of a greenhouse gas emissions cap-and-trade bill, Helmke told the forum in Poznan. He said skepticism remained among Rust Belt, Western, and coal-state Democrats who worried emissions caps would hurt their coal-reliant states with the U.S. economy sliding into a recession.

Moreover, Helmke said there were obstacles to come that could not have been anticipated: the divisiveness of the health care debate, one that consumed Congress' attention throughout 2009 and well into 2010, the sputtering U.S. economy with near 10 percent unemployment, and the oil spill in the Gulf of Mexico.

Huge impact for Indiana regardless

What happens in the Senate could have a huge impact on the way Indiana powers itself as well as what consumers - both in industry and on the home front - pay for power. The legislation comes as hundreds of towering wind turbines have sprung up along I-65 in Northwest Indiana, as well as electric car and battery companies setting up shop in the state, signalling an end to the world as we know it.

One utility source told HPI that consumers could easily face energy cost increases in the 25 to 40 percent range due to the legislation. The source, however, acknowledges that it already faces increasing demand and the need to refit or rebuild most of its generation stations. NiSource, for instance, counts its newest generation plant at 25 years old. Prior to the days of Obama, industry sources were telling HPI that Hoosier consumers were facing daunting rate increases.

The changes in store could be as dramatic as those facing wagon and bicycle shops a century ago as the "horseless carriage" emerged from the streets of Kokomo and Dearborn, Mich. Critics of the "cap-and-trade" concept cling to the status quo and warn of huge energy price increases that will be passed on to consumers. Utilities say they face huge costs of upgrading generation plants.

A century ago ...

A century ago, similar warnings emerged about the horseless carriage, the fuels needed to make them go, and

the infrastructure (i.e. paved roads, stop lights, grade separations, interstate highways) that was eventually needed to create a new society. The costs over the past century would extend beyond the trillion dollar mark.

Indiana utilities warn of the costs associated with transforming the state's aging power generation plants into clean coal technologies, scrubbers, or conversion from coal to natural gas. The state and investors have already anted up for ethanol and wind power, neither of which would exist without heavy government subsidy and have the reliability of coal. Utility sources tell HPI that studies have shown wind power to have about an 8 percent reliability standard, compared to 85 percent for a coal fired plant.

What Indiana does have is a lot of biomass - particularly hog and cow manure that could represent what was once deemed waste turning into brown gold.

Indiana utilities have faced similar changes in the



John Goss of the Indiana Wildlife Federation believes this window is the best chance to get climate change legislation. (HPI Photo by Brian A. Howey)

past. Due to the acid rain dilemma 40 years ago, Midwestern power plants were forced by the federal government to invest and implement scrubber technology. Goss of the Wildlife Federation said that most of those goals were met within five years of a 10-year window. No one could put the current legislation on a comparative scale to the investments and costs associated with acid rain solutions.

Fisher says a comparison to the acid rain induced changes and the current carbon dilemmas are relevant. Utilities faced cleaning nitrous oxide and sulfur a generation ago. Today they will be forced to reduce carbon, "which is in greater volume, but not as noxious," Fisher said.

"The impact on Indiana will be significant," Goss said, "partially because Indiana does not have a renewable



energy standard for alternative and renewable sources.”

Goss drew comparisons to the state’s tardy response to renewable energy standards to missed opportunities in the mid-20th Century to rectify combined sewer overflow problems. Many states took advantage of federal grants and revenue sharing to deal with CSOs back in the 1950s through 1970s. Indiana’s political culture prided itself for rejecting federal aid. By the time the EPA began mandating tough CSO guidelines, 90 percent of cities with CSO problems were located in Indiana and Ohio. Hoosier consumers are paying a dear price for kicking that can down the road as they face a price tag in the \$10 billion range to correct the problem. Indianapolis has spent more than \$1 billion on EPA mandates and has hundreds of millions of dollars more to spend. On an almost weekly basis, the HPI Daily Wire has reported sewer rate increases across the state as cities grapple with financing the changes.

Gov. Mitch Daniels has been critical of cap and trade schemes, saying that capping carbon wouldn’t “lower the thermometer by a half a degree in 50 years.” He has said the cost of business like high-energy-using steel plants and foundries could put them out of business or force them to move.

Goss calls that “short-sighted” and cites “overwhelming scientific evidence” that Indiana and the rest of the world are facing climate change dilemmas. He said that cold water fish such as trout and salmon may be gone from lakes and rivers over the next 30 years in Northern Indiana and Southern Michigan if current climate trends continue. The Audubon Society is reporting “dozens of species of birds new to areas north of the Ohio River.” Gardening, planting and frost tables are changing, with seed companies placing Indiana in southern climates.

Goss predicts there will be an increase in “erratic weather” with non-hurricane remnant storms like those in May that dumped 18 inches of rain in Nashville, Tenn. The summers will be hotter, the winters more mild. There will be more electrical storms and flooding.

Changes bring opportunities

But with wrenching change comes opportunity.

An electric utility that may be forced to spend hundreds of millions to switch from coal to natural gas fired plants could also find hundreds of new consumers with thousands of cars and trucks that will be plugged in at night instead of visiting a gas station once or twice a week. The Studebaker wagon works in South Bend a century ago spent millions to upgrade its plant and manufactured hundreds of thousands of cars for the next half century.

Politically, a utility source told HPI, “It comes down to how fast can you go without scaring the devil out of voters.”

The source acknowledged that change is unavoidable, will be expensive and across the board.



As Senator Lugar noted in his opening statement on June 15 on Capitol Hill, “The most recent Congressional Connection Poll by the Pew Research Center and National Journal indicated that 81 percent of Americans believe Congress’ top priority should be creating jobs. This poll has consistently indicated the lowest

priority of our constituents is dealing with climate change, with just 32 percent suggesting this in the most recent poll. The same poll indicated that two-thirds of Americans said it was important for Congress to act on our country’s energy needs.”

Lugar cast his bill as one that “fixes the major leaks in our energy system. Energy and climate legislation must reflect the economic realities facing Americans today. Like much of America, almost 10 percent of Hoosiers are unemployed. Many more are underemployed and living paycheck-to-paycheck. We need enduring policies that help Americans ease their financial burdens and encourage markets with job-creating opportunities. This plan satisfies the concerns of two-thirds of Americans who say we should be addressing our energy needs now.”

Except the “now” is more likely to occur in 2011 after the Congressional mid-term elections. Fisher agrees that “change is going to happen in every part of the energy spectrum.” He added that there is more chance of a bipartisan bill next year. “I think there is actually strong bipartisan interest in an energy bill. There is not bipartisan interest in a climate bill.” ❖



Ellsworth down 20% as Dems question Rasmussen polling

By **BRIAN A. HOWEY**
and **BRITAINY BROWNRIGG**

FRANKLIN - The mid-July assessment should be of great concern to Hoosier Democrats, though they still hold some valuable cards that if played right could make the dire conventional wisdom more like 1998 than 1994.



The recent Rasmussen Reports Poll shows Republican Dan Coats with a towering 51-30 percent lead over U.S. Rep. Brad Ellsworth. It puts President Obama's approve/disapprove rat-

ing at 43/56 percent. An ABC News/Washington Post poll released Monday showed 56 percent nationally have "just some or no confidence" in his presidency, the low mark since he entered the White House in January 2009. The Real Clear Politics Congressional Generic had the Republicans at 45.7 percent and Democrats at 42.8 percent, or a +2.9 spread for the GOP. It ranges anywhere from ABC's 49-45 spread to Gallup, which had the Democrats up 47-46 percent, and Rasmussen with Republicans up 44-38 percent. Even a slight lead in the generic numbers for Republicans could mean a 25-50 seat pickup.

The White House acknowledged the current dire straits. "I think there's no doubt there are enough seats in play that could cause Republicans to gain control," said White House press secretary Robert Gibbs Sunday on NBC's Meet the Press. "There's no doubt about that. This will depend on strong campaigns by Democrats and again, I think, we have to take the issues to them."

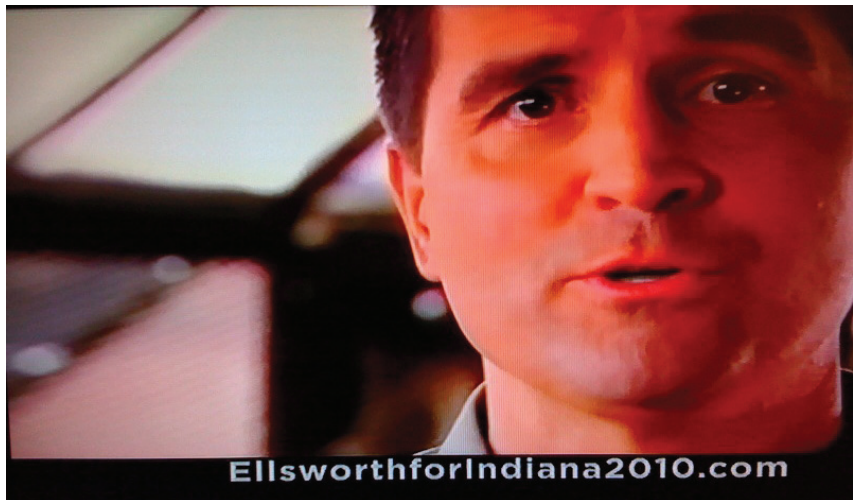
By Wednesday, House Speaker Nancy Pelosi was livid over the Gibbs remarks and dressed down White House political operatives Tuesday, according to Politico. "How could [Gibbs] know what is going on in our districts?" Pelosi told her members in the caucus meeting in the basement of the Capitol Tuesday night. "Some may weigh his

words more than others. We have made our disagreement known to the White House."

But here's the silver lining for the Democrats: In the ABC/Washington Post poll, while Obama's numbers have dipped to personal lows, he is still in better shape than either Democrats or Republicans on Capitol Hill. Sixty-eight percent said they do not have confidence in Democrats while 72 percent said the same of Republicans.

Indiana Democratic Chairman Dan Parker said that most voters have yet to hear about Coats' lobbying history that Ellsworth will soon address in his TV ad campaign. Ellsworth has a \$1.2 million to \$1.06 million cash on hand advantage over Coats, according to FEC filings made public today. "When that first TV ad for Ellsworth defines what Coats has done over the last 10 years, that race will tighten up," he said.

Ellsworth went on the air with a limited TV ad last week. Appearing in an abandoned factory, Ellsworth says, "One thing that 25 years as a sheriff teaches you is zero tolerance for bull. There's too much at stake. But out in Washington, it's like they live and breathe the stuff. They waste our money. They take care of special interests. And they don't care if lobbyists write the laws or if our jobs get shipped overseas. I'm Brad Ellsworth, and I approve this message because the special interests and lobbyists already have enough senators on their side."



The ad was a light buy around \$70,000, appearing only in the Indianapolis (the initial buy was 275 points), South Bend and Fort Wayne media markets. It did not run in the Louisville, Chicago, Terre Haute or Evansville markets and was split evenly between cable and broadcast.

Republicans, meanwhile, were blasting Ellsworth for raising money in Canada, where the congressman had a fundraiser in British Columbia. "Hoosiers now have all the evidence they need that Congressman Ellsworth is the sort



of disingenuous politician who only says what he thinks voters want to hear," said Trevor Foughty, a spokesman for the Indiana Republican Party. **Horse Race Status:** Leans Coats

Rasmussen, Research 2000 polling scrutiny

Parker expressed his concern to HPI about Rasmussen Reports polling and its relationship to the Coats campaign. He noted that just about every Rasmussen Reports poll released in Indiana has a suspicious timing:

Jan. 22: Pence

47%, Bayh 44%. Post Scott Brown, before Coats entered the race.

Feb. 18: Coats 46%,

Ellsworth 32%. Post-Bayh retirement announcement,

March 23: Coats

49%, Ellsworth 34%. Just prior to the health care vote.

April 19: Coats

54%, Ellsworth 33%. Sen. Marlin Stutzman goes up on the air.

May 7: Coats 51%,

Ellsworth 36%. Post-Republican primary.

June 4: Coats 47%, Ellsworth 33%. Push for lob-

bying disclosure, BP attacks.

July 12: Coats 51%, Ellsworth 30%. Ellsworth TV

starts, prior to July 15 FEC numbers.

It could be suspicious timing if you're a Democrat in a Republican-trending year, or it could be just savvy timing on the part of the pollster.

"Who's paying for the Rasmussen Polls?" Parker asked.

HPI contacted Rasmussen Reports and asked the question. "We are an independent firm," said Debra Falk, Rasmussen's press contact. Falk said that Rasmussen pays for all of their own polling. She would not disclose the cost of a poll but called it an "internal cost." Falk also said that Rasmussen has sponsors but that the media relations are handled by partnerships entitling certain news outlets to information before others.

Rasmussen does polling in all 50 states and Falk said they plan to conduct polls every month but the frequency of their polling depends on how close the race might be in any particular state.

In June, the Washington Post took a look at Rasmussen. It reported: "Rasmussen has become a driving force in American politics. As cash-strapped newspapers and television networks struggle to meet the growing demand for polls, Rasmussen is supplying reams of cheap, automated surveys that will measure — and maybe move

— opinion, especially as primary season gives way to the November midterm elections."

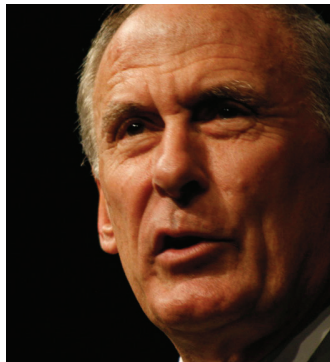
CEO Scott Rasmussen told the Post that he is simply a "scorekeeper," but his spike in clout has sharpened skepticism about how he tracks the dip in Democratic fortunes. Frustrated liberals suspect sorcery. Markos Moulitsas, the creator of the Daily Kos blog, has accused the pollster of "setting the narrative that Democrats are doomed" with numbers that fuel hours of Republican-boosting on talk radio and cable.

And the Post reported, "The old guard of the polling industry charges that Rasmussen merely makes educated guesses, like a market-savvy contestant on a political 'The Price Is Right,' and considers him a threat to the standards of an industry already facing existential challenges. Those traditional peers fear Rasmussen's rise signals the fall of the in-depth probing that politicians, policymakers and reporters have turned to for more than half a century."

Writing for Pollster.com, Harry Enten asks, "Does Rasmussen have a large pro-Republican house effect in 2010? Looking at the generic ballot, the answer seems to be absolutely. Using only Rasmussen polling, the Pollster.com aggregate gives the House Republicans a 7.3% advantage as of this writing. Using all other pollsters except for Rasmussen, House Republicans hold only a 0.1% lead. Some of this may be their use of a likely voter model, although it is unlikely that it accounts for all of Rasmussen's difference. Rasmussen has accounted for a little over 50% of the legitimate polls conducted for United States Senate races in 2010. Being that Rasmussen has flooded the zone, we must ask whether their Senate polls have had the same sort of house effect as their generic ballot. Many liberals would like to believe so, but no one, to my knowledge, has affirmed or disproved it... until now."

Enten notes that David Shor, a visiting graduate student collaborator at Princeton University, has estimated Rasmussen's house effects in all possible Senate races. Using data supplied and collected by Rasmus Pianowski and me, he found that the difference in house effects between Senate races to be mostly insignificant (or "eerily consistent"). However, the difference between Senate races and the generic ballot was highly significant. Instead of a 5% pro-Republican house effect as seen on the two way generic ballot, the pooled Senate house effect is only 2%."

Yet, respected outlets such as Real Clear Politics and Politico are posting Rasmussen numbers, as is Howey Politics Indiana, in part because it's the only game in town. All entities have stringent requirements and adherence to polling industry guidelines. During the 2008 election cycle, the Howey-Gauge Polls used and were approved by the American Association for Public Opinion Research. Howey-Gauge also posted at www.howeypolitics.com the complete polling questions and demographic data, the only Indiana



DAN COATS



polling source to consistently do so.

The other polling drama involves Research2000, which is being sued by Moulitsas after the firm failed to provide documentation over recent polling numbers in the Arkansas Senate race. Daily Kos is suspecting fraud, noting that it had paid for 150 polls in advance.

Research 2000 has been the polling firm for WISH-TV, WSBT-TV and the South Bend Tribune over the past several election cycles. The firm's numbers caught our attention in 2008 when just about every polling firm had Gov. Mitch Daniels with wide leads over Democrat Jill Long Thompson in the governor's race, who wasn't able to mount a TV ad campaign beyond a couple of weeks that summer. But in a series of polls in late September, Research 2000 had Daniels with a 47-46 percent lead over Thompson in one poll and 49-45 percent in another (see chart). Other than the Selzer poll for the Indianapolis Star/WTHR-TV that showed Daniels with just a 46-42 percent lead on Sept. 14-16, every other poll had the governor with a double-digit lead.

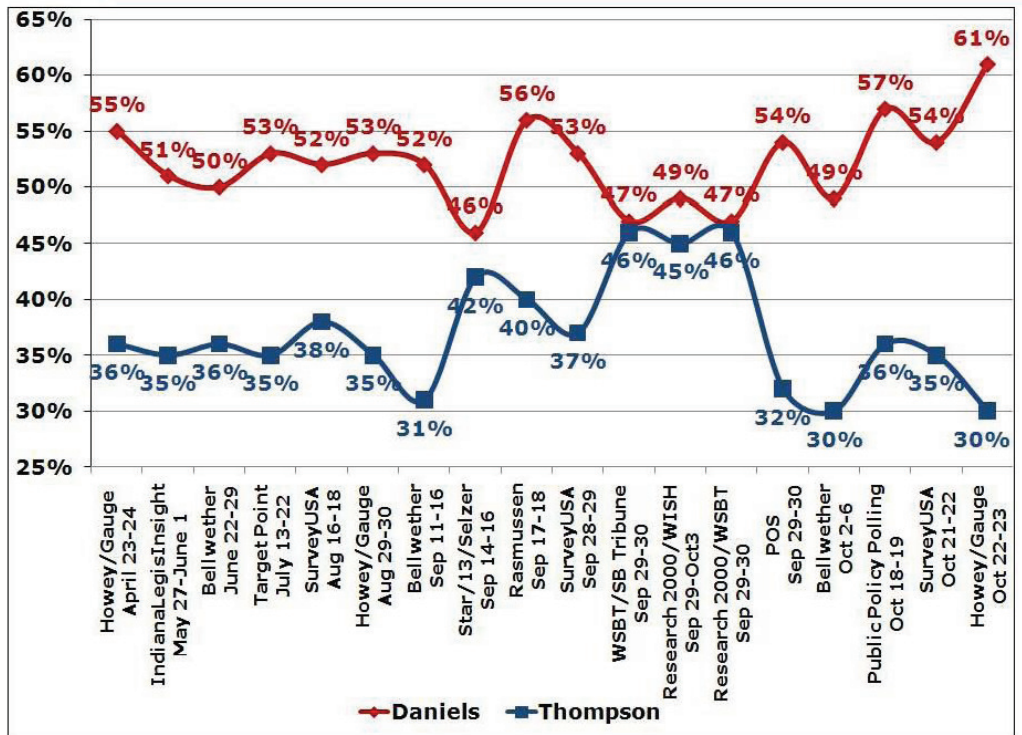
Eric Holcomb, who managed the Daniels campaign, told HPI this morning that its internal numbers never had the race within single digits. "Our numbers tracked right along with what yours did," Holcomb said of Howey-Gauge. "The election turned out like we expected." Daniels defeated Thompson 58-40 percent.

Holcomb said he approached the Star about Selzer's numbers and methodology but never received an explanation.

Rasmussen has essentially been the only polling firm to monitor Indiana this election cycle, though we expect SurveyUSA to do some polling in the state this fall. The lack of polling is another indication of the precarious state of the newspaper and local network affiliates in the state due both to the Great Recession of 2009-2010 and the wrenching changes facing news media companies.

2nd Quarter FEC numbers

The second quarter Federal Election Commission numbers will be reported by campaigns across the state later today with some campaigns already reporting how



much they have earned in the past three months.

The Coats Senate officially released his second quarter numbers saying that he has gained \$1.5 million in the past quarter and has \$1.06 million in cash on hand. Hoosiers were the dominant source of Coats campaign fundraising with 71 percent of his contributions coming from Hoosiers. Over half, 62 percent, of Coats campaign fundraising was from donors who gave \$200 or less.

"Dan Coats has generated strong statewide support because he advocates rolling back the liberal Obama-Pelosi agenda, limiting the role of government, stopping runaway federal spending, and ensuring a strong national defense," said Coats advisor Kevin Kellems in a press release.

Brad Ellsworth's campaign reported raising nearly \$1.7 million and spending \$715,396 so far this election cycle and has \$1.2 million cash on hand.

Jackie Walorski, challenging U.S. Rep. Joe Donnelly for the 2nd CD, reported \$260,000 this quarter with \$300,000 in cash on hand and \$560,000 for the cycle.

Larry Bucshon has reported \$230,906.12 for this quarter, \$437,579.97 in all and \$206,593.49 in cash on hand. The majority of Bucshon's donations came from Hoosiers and 78 percent of his donations came from his district. "I am deeply humbled by the over whelming support from my fellow Hoosiers," Bucshon said in a press release. "This shows me that my message of common sense conservatism resonates with the voters of the Indiana 8th."

Tom Hayhurst, facing State Sen. Marlin Stutzman in



the 3rd CD, reported \$150,000 this quarter, with \$280,000 in cash on hand. Hayhurst also reported having over \$435,000 in total resources. "Each of these contributions symbolizes a commitment by the voters of the 3rd district to better representation in Congress," said Hayhurst.

Stutzman did not release his numbers to HPI, but they will draw particular scrutiny since there have been questions about how his campaign reported in-kind travel expenses.

Kaine to keynote IDEA

Democratic National Chairman Tim Kaine will keynote the Indiana Democratic Editorial Association's convention at French Lick on Aug. 28.

8TH CD: Bucshon says health reforms 'unconstitutional'

Larry Bucshon reaffirmed his opposition to health care legislation passed by Congress earlier this year and is concerned about the toll it will have on business in a roundtable with the Terre Haute Chamber (Loughlin, Terre Haute Tribune-Star). "If you look at the expenses to business to provide health coverage...it becomes very clear very quickly this is going to be such a financial burden on business, both large and small, that we'll see significant problems. I believe it will increase unemployment and it will put some businesses completely out of business that can't afford to comply with the regulations." He also suggests the individual mandate to purchase health insurance "is ... an overreach by the federal government and probably unconstitutional." **Horse Race Status:** Tossup

9TH CD: Hill, Young spar over Social Security

U.S. Rep. Baron Hill renewed his call for Todd Young to sign a pledge to protect Social Security from privatization while at the Riverside Towers Senior Center. Four weeks ago, Hill signed a pledge stating that he would not privatize Social Security and that he would protect it from the whims of Wall Street. "Despite having nearly a month to respond, Young has failed to tell the voters where he stands on Social Security," Hill said. While at the senior center, Hill reiterated his commitment to protecting Social Security for seniors and future generations. "Social Security is a moral contract that we have to honor" he said, and "this also means protecting it from privatization and that is why I signed the pledge. Unfortunately, my opponent has not done the same. He apparently has decided that his best strategy on Social Security is to simply say nothing."

Young released this statement on Social Security on Monday: "If elected to Congress, I will ensure that today's retirees and those approaching retirement age receive the Social Security and Medicare benefits they were

promised." **Horse Race Status:** Tossup

HD42: Negele begins TV ads

Attica Clerk-Treasurer Sharon Negele is the first Republican to hit the TV airwaves in her race to unseat State Rep. Dale Grubb, the Democratic caucus chairman. The ad calls her a "trusted friend" who holds an MBA, runs her own business and is a public servant. "Instead of a career politician, let's send a trusted friend," the ad says.

Mike Gentry of the House Republican Campaign Committee said the add is running in the Terre Haute (\$22,000) and the Lafayette (\$6,000 to \$7,000) TV markets. "We want to be early and aggressive," Gentry said. He noted that HRCC took a similar tactic in 2006 with Jackie Walorski in HD21. "We think we'll get a good bump. We'll evaluate and see how it works." Gentry said that polling last fall revealed that Grubb's name ID wasn't strong in the southern part of the district. **Horse Race Status:** Leans Grubb

HD84: Rep. Borrer resigns to join Bose

The ranks of former legislators who are now lobbyists grew as state Rep. Randy Borrer resigned to become a senior vice president with an Indianapolis-based legislative consulting firm (Schneider, Indianapolis Star). Asked why he did not wait to resign from the legislature until his current term ends later this year, Borrer said he chose now "because the timing was right for everyone concerned. The timing was right for Bose. The timing was right for my wife and I." Asked if the timing was right for the voters, Borrer bristled. He pulled off the wall of his Statehouse office a picture of him and his then 3-year-old daughter, taken on the day when he was first sworn in. She is now 12, he said. "I made the decision after 10 years of service to the state of Indiana that it was time for me to concentrate on my family. If that's not good enough, if my service to the state hasn't been enough, then I suppose that people have their own opinion about that. I'm dedicating my next few years to my family."

Seeking the seat will be Allen County Commissioner Bill Brown, recent 3rd CD candidate Bob Morris and possibly former State Rep. John Becker, Fort Wayne School trustee Jon Olinger, former Fort Wayne Councilman John Crawford, Allen County Recorder John McGauley, Allen Clerk Terese Brown, Fort Wayne Councilwoman Liz Brown, Councilman Tom Smith, and former IU Trustee Casey Cox.

Derek Pillie, 3rd CD office director, announced his candidacy today, saying, "My fellow Hoosiers have spoken loudly, clearly and repeatedly that they want government to be smarter about the ways it spends their money. They want us to spend less of their money and they want us to spend it... on the tasks that government should be doing and nothing else." ❖



LaBron is leaving & the Pacers are staying

By **BRIAN A. HOWEY**

CHICAGO - I was sitting in Buddy Guy's Legends Bar last Thursday night listening to Nellie "Tiger" Travis belt out some fabulous blues. And on every monitor around the joint was LaBron James on ESPN, demolishing the dreams of Cleveland in his pursuit of a stress-free life and a fist full of rings in South Beach.

It sent me down a basketball memory lane, like the time the Indiana Pacers held a televised marathon back in July 1977 to try and get enough season tickets sold to survive their first few seasons in the NBA. They had to sell 8,000 tickets by the end of the month or they would be sold and moved out of the Basketball State.

They could have become the Miami Pacers if it weren't for that 16 hour marathon on WTTV.

I remembered Reggie Miller hitting that shot over Michael Jordan in Game 6 of the 1998 conference finals in what I called the greatest game ever played on Indiana soil. If only Travis Best had shot instead of wavered in the heart-breaking Game 7 they would lose.

There were the 2000 finals they would concede 4-2 to the Lakers of Kobe and Shaq, the Pacers' closest brush with modern destiny.

And there was that night at the Bourbon Street Distillery on Nov. 19, 2004 when they were in the closing moments of blowing out the world champion Detroit Pistons. "They could win the whole thing," I told a friend. Minutes later, "The Brawl" ensued and nothing would ever be the same.

LaBron James or Kobe Bryant would never consider playing in Indianapolis despite our cool fieldhouse and a hoops culture like no other. The Vapor Lounge is gone and the lease has run out on Tim Durham's Lamborghini.

It was odd that the Pacers had given a June 30 ultimatum on having a

new deal with the city as the LaBron James hype reached a crescendo. The deadline came and went and the city yawned.

Perhaps it was because no one believed that beloved city father Jim Morris would actually orchestrate an exit for the team. Or that Herb Simon would have any stomach to move the team. It is the next generation of Simons - having different financial priorities - who might have a different agenda.

On July 1, the Indianapolis Star didn't even have a story on what did or didn't happen. Not a single friend, relative or reader offered any opinion or angst on whether the Pacers should stay or, perhaps, become the Las Vegas Pacers or the Seattle Pacers or the Boise Pacers.

The only comment during this whole process came earlier when I heard some citizens say that if the city saved the Pacers and closed the Glendale Library Branch, there would be hell to pay.

Political hell.

Mayor Greg Ballard faced a dilemma, not unlike those challenging by Mayor Goldsmith in 1997-98 (when the Pacers were actually good and had beloved players) and Mayor Peterson with the immensely more popular Colts and Los Angeles waiting in the wings. If Ballard played the hard line and the team had left for Tulsa or Birmingham, he would have been the mayor who lost the Pacers. It would have taken about 88 dates out of Conseco Fieldhouse and adjoining restaurants and bars.

Instead, the city forged a deal where it must come up with \$33.5 million over the next three years to subsidize the team.

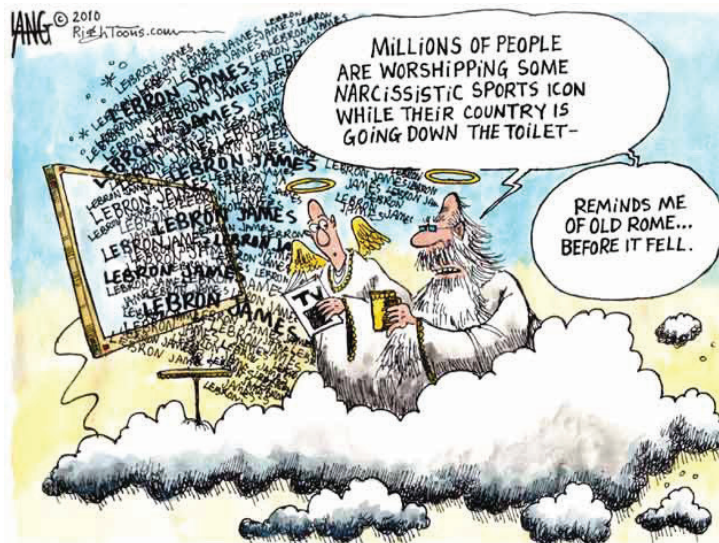
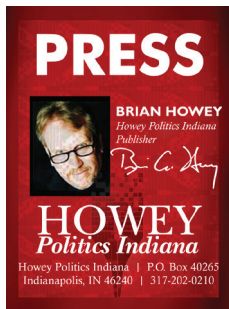
The Star's story on Tuesday on "how the city will pay for the Pacers" was almost incomprehensible. It was just months ago that the Capital Improvement Board had a \$47 million deficit.

"It's important that we continue to see revenues at or above what we've seen in 2009," said CIB President Ann Lathrop. "It's just as important that we remain diligent as it relates to holding the line on our expenses."

The details were ... almost non-existent.

We're left to wonder if the water company deal might shower the Pacers with the money they need.

Who knows?
Who cares?





That second question is dangerous. Without the Pacers, we'd be a one-horse town. There would be less to do during those cold winters, though climate change might actually allow the Colts to have a Super Bowl victory parade in some future February in balmy conditions. We would never get to see the three-ring circus

taking shape in Miami. Or Gordon Hayward's ride on the Jazzy pines.
The Pacers are staying. Ho-hum. My emotions are flat until a new Reggie comes our way.
I'm more concerned about Cleveland. I think we should organize a group hug for Cleveland. ❖

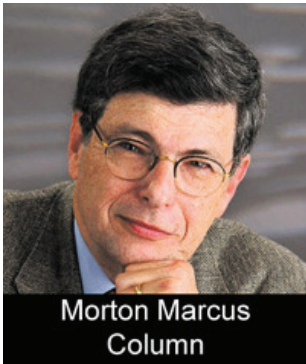
Indiana jobs situation improves, but how about the economy?

By **MORTON J. MARCUS**

INDIANAPOLIS - "Is it true that Indiana's economy has turned around?" Strudel Morceaux, a junior journalist asked.

"I cannot answer that question," I said.

"What?" Strudel exclaimed. "You're the economist and you don't know what's happening with Indiana's economy?"



Morton Marcus
Column

"What," I asked, "is Indiana's economy?"

"Now you're playing mind games," Strudel objected.

"Indiana's economy is measured in different ways and judged in still other ways," I elaborated. "For many people, an economy is doing well if it is adding jobs. For others, an economy's performance is judged by its unemployment rate. Those are only two of

many measures."

"Enough," Strudel was beginning to flake.

"Indiana's latest unemployment rate was ten percent for the second consecutive month," I offered. "That's not satisfactory but better than the 10.6 percent of a year ago. The decline in the number of persons employed that lasted 23 months seems over. From February 2008 through December 2009, Indiana had a decline of 284,500 workers holding jobs.

"Then, in the first five months of 2010, Indiana enjoyed an increase of 23,100 persons employed. This represents just an eight percent recovery -- not quite enough to set off fire-crackers."

"So," Strudel said confidently, "we've hit bottom and the turnaround is in progress."

"There is reason to say that," I said. "When we look

at jobs, rather than employed persons,"

"Hold it," Strudel cried. "Every job is filled by a person."

"Yes," I agreed, "but many people hold more than one job. Jobs are not equal to the number of persons working. Plus some Hoosiers work outside Indiana and some Indiana jobs are held by people living beyond the Hoosier frontiers."

"Piffle," Strudel dismissed the distinction.

"Possibly piffle," I conceded. "Yet it explains why the number of jobs and number of employed persons are different. Nonetheless, let me continue.

"Every month from March '08 to April this year, the number of jobs in Indiana was less than in the same month a year earlier. You might say we hit bottom in June '09 when the number of jobs fell to 201,400 fewer than in June '08. Since then that difference has been shrinking. Now, in May this year, for the first time in 27 months, the number of Hoosier jobs exceeded the level a year earlier.

"The truly good news is that for 22 months, stretching back to the Spring of '08, the number of jobs in Indiana fell by 229,400. Since the start of this year, we've added 53,200 jobs, a recovery of 23% of our lost jobs."

"Then you'll agree that we're on the road back," Strudel said triumphantly.

"No," I said. "I want to know that average wages are rising for Hoosiers. I want evidence that government revenues are increasing and that more money is being spent on the necessities of life, things like education, transportation, communications, and public health. It won't do us any good to meet the usual demand for Halloween costumes if we're not investing in our future."

"You just won't accept the good news, will you?" Strudel was angry.

"Right," I said. "We have a long-term deficit of responsible spending in this state. The restoration of things as they were will not lead to a productive, competitive economy tomorrow. Patting ourselves on the back because we moved part way back from a business-cycle low is deceptive and cynical; it might be acceptable from a political candidate, but not appropriate from you as a serious observer of our state's economy."

"I'm sorry I asked," Strudel said. "I was just looking for a quick quote." ❖



Abdul Hakim-Shabazz, Indiana Barrister:

By now you've heard the City and the Indiana Pacers have worked out a 3-year deal with the Indiana Pacers to take over the costs of operating Conseco Fieldhouse. The terms are pretty basic, the city "loans" the Pacers \$33 million and change and the longer the Pacers stay, the less they have to payback over time. All parties say this will get the team through the next three years until a new NBA collective bargaining agreement can be worked out and it will also give revenue from a new convention center and hotels to kick in, thus giving all parties a better idea of what there finances will be. This is one of those moments where my ideological nature runs contrary to the practical side of my personality. I am not a fan of bailing out private businesses, however whether the Pacers were there or not the City was going to have to spend an estimated \$12 million on maintaining the building. The only other bit of "good news" in all this is the fact the money to operate Conseco is coming from existing revenues which the Capital Improvement Board says are up and from already made budget cuts. There are no general sales, income or property tax increases. Only money from the hotel and food and beverage taxes are going towards the operation, as well as a loan from the state. Like I said, I'm not crazy about, but this is the world we live in and the reality that we face. Now if after three years, the Pacers come back and say they need more help, then I'll be the first person to go get some plywood and start boarding up Conseco. ❖

John Lucas, Evansville Courier & Press: A few years back while pheasant hunting on a farm in central Iowa, I was confronted head-on by an example of the encroachment of the city into rural countryside. Even though we were miles from town and the road that ran by the farm was only minimally paved, the sign at a nearby intersection identified it as Main Street. Somehow it just didn't seem right. Main Street is supposed to denote a community's principal business district and, in small-town America, it's lined with the homes of the community's movers and shakers. Farms aren't supposed to be on Main Street. By and large, farm folks don't want to live on Main Street if it means being able to reach out a bedroom window and hold hands with a neighbor. And most city folks would shy away from a rural version of Main Street if it meant enduring dust and flies, the aroma of a nearby feedlot, drinking well water and coaxing a reluctant septic system to percolate. That deep, psychic divide between city and country folks is something those who want to consolidate Evansville and Vanderburgh County governments must bridge if they are

to be successful. The divide - really an independence of spirit on the part of many rural dwellers - may not be readily visible, but it is real. It creates what a former county attorney friend calls the "doughnut theory of government." That's the well-defined geographic area of a city government, or hole, surrounded by a county government, which all too often doesn't acknowledge the city is also a part of the county. While merged or combined governments may make the utmost sense economically and from the standpoint of getting rid of the current indecipherable bifurcated county structure, the effort will fail unless proponents can get city and county folks on the same team. ❖

Phil Wieland, Times of Northwest Indiana:

The economic times are so tough the Indiana Legislature is being forced to stop wasting money. At least, that's the way I interpret the latest announcement from state Sen. Ed "See What I've Done for You Lately" Charbonneau, R-Valparaiso. The announcement is the one posted on the Senate website by Senate President Pro Tem David Long, R-Fort Wayne, which I guess proves they don't want to be wasteful, even with words. Under the heading "Senate Leading by Example, Sends Nearly 14 Percent of Budget Back to General Fund," the Tuesday announcement bragged how the GOP-controlled Senate was the first to tell everyone how its cost-cutting measures saved the taxpayers \$1.9 million. The Democrat-controlled House announced Thursday it returned \$2.2 million to the state, but that was only an 11 percent savings. The Senate announcement seems clear they consider the House a bunch of slackers for not announcing how much they saved until two days later. Indiana's revenue shortfall was about \$1 billion for the past fiscal year, which ended June 30, so the Legislature's efforts, while commendable, amount to less than 0.5 percent of the deficit. That's not going to balance the budget, but it makes you wonder what they did to cut costs. "The Senate has achieved cost savings by finding operating efficiencies, eliminating nonessential expenditures, going without pay raises for two consecutive years and suspending new hiring for all but essential personnel," Long said. Wow, they figured out how to operate efficiently and eliminate nonessential expenditures. Shouldn't they have done that before they had a billion-dollar revenue shortfall? ❖





Goodnight plan on tornado warning

KOKOMO -Mayor Greg Goodnight will announce a weather alert plan to better address the needs of City of Kokomo residents. Through a public-private partnership with Best Buy, every single city resident will be able to purchase state-approved weather alert radios for only \$5.99, with the City of Kokomo paying the remaining cost. The normal retail cost of these radios is \$36 each. Through the partnership with Best Buy, the city's cost will be \$10 per radio. After examining the pros and cons of various severe weather alert systems, including tornado sirens, the City Administration has determined that weather

radios will provide the most effective, timely and dependable alert system for residents. The radios will announce any and all severe weather warnings issued by the National Weather Service, including tornado, severe thunderstorm, flash flood, winter storm, ice storm, excessive heat and more than 70 other warning types, providing immediate notification to Kokomo citizens. The City expects to pay between \$30,000 and \$70,000 on this project, whereas the installation of tornado sirens would have cost upwards of \$300,000, according to estimates received by the City of Kokomo. Citizens can choose to have the radios on all the time, or run on standby and only turn on when a severe weather warning is issued. "Nothing is more important than the safety of our citizens," said Mayor Goodnight. "These radios provide a progressive, effective and cost-efficient way to ensure that severe weather conditions do not catch the citizens of Kokomo by surprise. By working with us on this project, Best Buy has shown its commitment to our



community. I appreciate their support, and I urge our citizens to take advantage of this unique opportunity."

Obama nominates Hogsett for DA

WASHINGTON - In one of the most expected announcements in recent memory, U.S. Sen. Evan Bayh announced that President Barack Obama has nominated Joseph H. Hogsett to be the U.S. Attorney for the Southern District of Indiana. Bayh recommended Hogsett to President Obama after consulting with Senator Richard Lugar. "Joe Hogsett has a distinguished record of public service on behalf of the people of Indiana. His legal experience, insight, background and temperament make him an excellent choice for U.S. Attorney. He has the respect and support of Indiana law enforcement, judges, elected officials and community leaders," Bayh said. "As Indiana's Secretary of State, Joe supervised the prosecution of numerous fraud cases. Joe also has distinguished himself in private practice as a litigator with considerable experience in federal court. He is well-qualified to hold this position of public trust, and I hope the Senate will confirm him without delay," Bayh added.

Reid to call jobless extension Tuesday

WASHINGTON - Finally seeing 60 votes, Senate Majority Leader Harry Reid (D-Nev.) plans to call the first procedural vote Tuesday on a stalled unemployment benefits package that failed the Senate on his first four tries (Politico). Reid told reporters Wednesday that West Virginia Gov. Joe Manchin has promised to name an interim replacement for the late Sen. Robert Byrd (D-W.Va.) this weekend. The new senator, combined with

pledges from Republican Sens. Susan Collins and Olympia Snowe of Maine to support the revised unemployment bill, would give the majority leader the filibuster-proof 60 votes that he needs to begin moving it to President Barack Obama's desk. "If Governor Manchin does what he has indicated to me he will, and we'll have a new senator to replace Sen. Byrd, then we'll vote Tuesday morning sometime on the unemployment extension," Reid said.

Lobbyists spent \$26 million

INDIANAPOLIS - Companies, organizations and even government groups spent more than \$25.6 million lobbying Indiana's lawmakers in this year's legislative session (Schneider, Indianapolis Star). And that number, said Indiana Lobby Registration Commission director Sarah Nagy, likely will grow as late and amended lobbying reports dribble in. By the time all the expenses -- including tickets to professional sports games and meals at Downtown restaurants -- are tallied, it likely will exceed the \$26 million that lobbyists spent in 2008 and again in 2009, Nagy said. The five legislators who reported receiving the most from lobbyists were: Rep. Cleo Duncan, R-Greensburg, \$2,639.48; Rep. Sean Eberhart, R-Shelbyville, \$1,349.35; Sen. James Lewis, D-Charlestown, \$1,169.13; Senate Minority Leader Vi Simpson, D-Ellettsville, \$1,086.82; Sen. Greg Taylor, D-Indianapolis, \$983.22. Duncan, who is retiring this year after 16 years in the House, was surprised to find herself topping that list. "What? What?" an astonished Duncan said.

Madison to pay \$600k for searches

MADISON - The city of Madi-



son has reached a \$600,000 settlement with three women who claimed in a lawsuit that they were illegally confined and strip-searched by police (Louisville Courier-Journal). The case was dismissed in U.S. District Court in New Albany after the agreement was reached Monday, according to Joseph A. Colussi, the women's lawyer. The women "are very, very pleased," Colussi said. "They feel good about this, and having stood up to it. At the same time, they were ready to get on with their lives." D. Timothy Born, a lawyer for Madison's insurance carrier, Travelers Insurance, said in a release that the city and others named in the suit admitted no fault but made "a business decision" to resolve the suit to avoid additional legal costs. Besides the city, the suit had named former Mayor Al Huntington, four police officers and other top city officials as defendants. In the lawsuit, Kristy Lessley, Kara Rhodehamel and Kayla Messer alleged that police took them to a firehouse following a January 2007 traffic stop for a burned-out license-plate bulb and asked them to disrobe separately in front of a woman police officer in a restroom. Lessley also accused a male police officer of propositioning her for sex that night while transporting her to jail. The three were seniors at Madison Consolidated High School at the time. Lessley was the only one of the three arrested that night, charged with possession of marijuana. But the charge was dismissed three months later as Colussi challenged the evidence and the search.

Ellsworth calls for BP terror probe

WASHINGTON - Secretary of State Hillary Clinton announced the State Department would investigate alleged links between BP and the release of Abdelbaset al-Megrahi, the

Libyan man convicted in the bombing of Pan Am Flight 103 that killed 179 Americans. BP recently announced it would begin drilling off the coast of Libya. Brad Ellsworth released the following statement in response to the announcement: "These allegations are serious and troubling, and I am glad to see Secretary Clinton's announcement today that the State Department will be looking into what role, if any, BP played in al-Megrahi's release. It was the wrong decision, regardless of whether it was for economic or humanitarian reasons, to release al-Megrahi in the first place. There should be a prompt and thorough investigation of the circumstances of his release and these allegations of quid-pro-quo between BP and the Libyan government." (Howey Politics Indiana)

Pence condemns fed \$ abortions

WASHINGTON - U.S. Rep. Mike Pence released the following statement today in response to the Obama Administration spending \$160 million on a "high risk" insurance program that will pay for abortions: "It is morally wrong to end an unborn human life by abortion. It is also reprehensible to take taxpayer dollars from millions of pro-life Americans and use them to pay for abortions. President Obama promised the American people that his health care law would not allow federal funding of abortion. But according to an investigation by the National Right to Life Committee, this allocation for Pennsylvania's high risk pool will break the president's promise by using taxpayer dollars to subsidize coverage of nearly any kind of abortion. We must stop this immoral offense against human life and against American taxpayers. Congress should act quickly on critical legislation by Rep. Chris Smith (R-NJ) and Rep.

Joe Pitts (R-PA) to stop the administration from using ObamaCare to fund abortions. The best long-term solution, and the one that I remain committed to, is the total repeal of ObamaCare." (Howey Politics Indiana)

State will train principals

INDIANAPOLIS - The Indiana Department of Education has reached a deal with Marian University to help train new leaders to turn around the state's worst schools (South Bend Tribune). State Superintendent of Public Instruction Tony Bennett said the Turnaround Leadership Academy will train a new generation of school leaders. Potential candidates include current teachers or principals — or business executives, lawyers or others from outside the education field, officials said. "These leaders must be agents of change: well prepared and committed to an unyielding belief and sense of urgency to ensure children in even the most depressed communities can achieve at the highest levels," Bennett said in a statement. Tuition for the three-year program is \$18,000. Participants will take courses for a year at Marian in Indianapolis, with classes meeting on Saturdays and lots of summer work, officials said. Next comes two years on the job paired with a mentor.

Kouts clerk implicated

KOUTS - A man told jurors Wednesday morning Kouts Clerk-Treasurer Greg Frame fondled him 30 to 40 times when he was just 15 years old (Times of Northwest Indiana). The alleged victim, who's now 20, said Frame first fondled him in spring 2005 during a First Communion or confirmation party at Frame's home in Kouts.