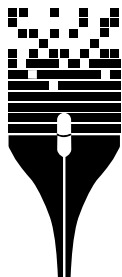


# The Howey Political Report



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

**Brian A. Howey, publisher**

**Mark Schoeff Jr., Washington writer**

**Jack E. Howey, editor**

The Howey Political Report      Office: 317-254-1533  
PO Box 40265                      Fax: 317-466-0993  
Indianapolis, IN 46240-0265      Mobile: 317-506-0883

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

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

**Subscriptions: \$250 annually via e-mail or fax; \$450 annually including the HPR Daily Wire. Call 317-254-1533 or 254-0535.**

© 2001, *The Howey Political Report*. All rights reserved. Photocopying, Internet forwarding, faxing or reproducing in any form, in whole or in part, is a violation of federal law and is **strictly prohibited** without consent of the publisher.

## “QUOTE” OF THE WEEK

“For them not to support a budget like this is really troublesome. I think this is so bizarre.”

- State Rep. B. Patrick Bauer, after Gov. Frank O'Bannon allowed the budget to become law without his signature - to the South Bend Tribune.

## Big John Gregg's big, big decision

Will shape Indiana politically for years

By **BRIAN A. HOWEY** in *Beehunter*

By the end of this month House Speaker John Gregg is going to make a political decision that will almost assuredly reverberate from Sandborn to Indianapolis to Washington. It has the potential to shape Indiana politics with implications well into the next political generation and could help decide control of Congress.

Gregg will announce whether he is going to run in the Bloody 8th CD next year, a new district many believe he had designed for his own purposes. No matter who runs, the Democratic challenge to U.S. Rep. John Hostettler will be in the dead center of the national radar in 2002. If Gregg runs, he will be enthusiastically funded and supported by the Democratic Congressional Campaign Committee. Right leaning special interests will make vast independent expenditures on behalf of Hostettler. CNN's Candy Crowley will come a-calling'.

“Yes, I've been contacted by the DCCC and the national Dems,” Gregg told HPR. “The maps give us a shot to keep control or if we lose it as in '94 to get it back if we continue to recruit better candidates and run superior campaigns.”

In a fit of wishful thinking, Hostettler was telling visiting Hoosiers in Washington last week that he didn't believe Gregg would run; that he would seek re-election in HD45 in 2002 and cut a deal for the lieutenant governor nomination under Joe Kernan in 2004.

In that “Gregg Don't Go” scenario, the Speaker's highest aspirations are to become governor of Indiana, a job

*Continued on page 2*

## INSIDE FEATURES

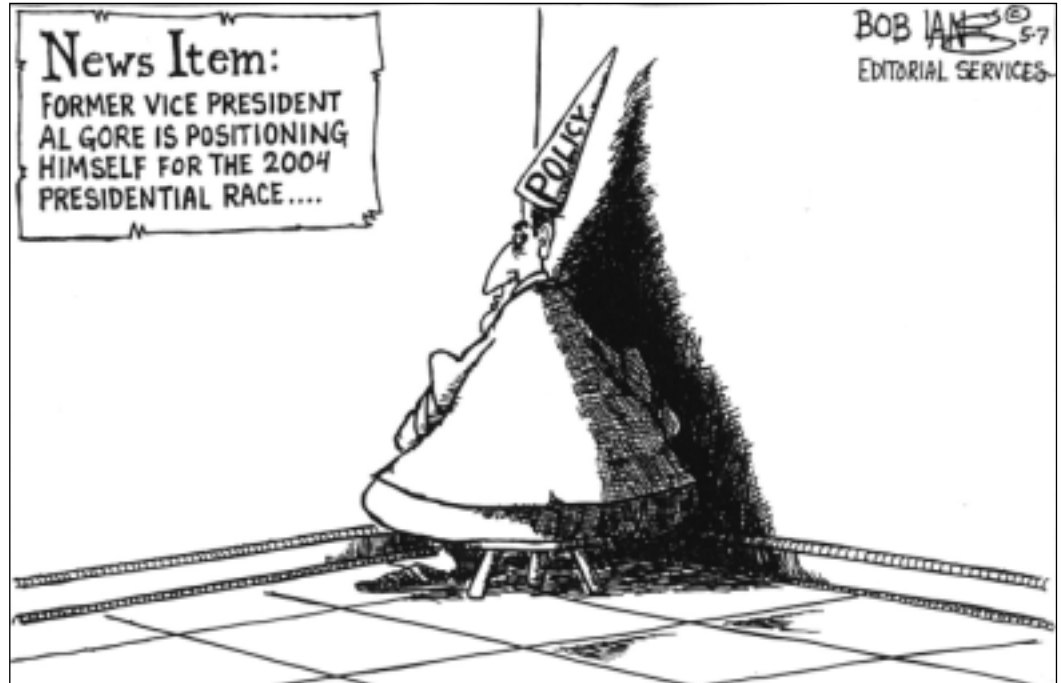
<b>Ticker: Bush poll numbers up</b>	<b>p. 2</b>
<b>Perhaps: O'Bannon's and history</b>	<b>p. 4</b>
<b>Columnists: Schneider, Gerard</b>	<b>p. 5</b>
<b>Congress: Sen. Young eyes 4th CD</b>	<b>p. 6</b>
<b>Horse Race: McIntosh's destiny</b>	<b>p. 8</b>
<b>HPR Advisory: An energy watch</b>	<b>p. 9</b>

# TICKER T A P E

**BUSH APPROVAL RATING:** A Gallup poll of 1,012 adults, conducted over May 10-14 (+/- 3%), shows 56% approve of the way George W. Bush is handling his job as President; 31% disapprove; 13% have no opinion. An ABC News poll of 1,022 adults, conducted over May 9-13 (+/- 3%), shows 39% approve "of the way George W. Bush is handling the energy situation in this country"; 43% disapprove; 18% had no opinion. A Fox News poll of 900 registered voters, conducted over May 9-10 (+/- 3%), shows President Bush's favorable/unfavorable rating at 59/29 percent. A Chicago Tribune/WGN Poll shows Bush's fav/unfav in Illinois at 57/24 percent. Bush lost Illinois to Democrat Al Gore by 12 percent last November.

**REP. STEELE WON'T SEEK RE-ELECTION, CITING TERM LIMIT ISSUE:** Rep. Brent Steele, R-Bedford, has announced that he won't seek a fifth term in the Indiana House because he wants to adhere to the term-limits stand he took during his first campaign (Lesley Stedman, Louisville Courier-Journal). Like many Republican candidates elected in the GOP landslide of 1994, Steele ran radio ads calling -- unsuccessfully -- for limits on the number of terms legislators serve. "I

*Continued on page 3*



## Gregg, from page 1

he has long wanted, wouldn't require a lot of air travel and would allow him to go home each night to be with his wife and young children. He would follow the path of another beloved Hoosier pol - Gov. Doc Bowen.

A Kernan-Gregg ticket in 2004 would offer geographical and ideological balance, with Gregg earning points from the right of center for his pro-life, pro-gun stances all wrapped in his big, roly-poly husk of campaign trail affability and wiley wit. Gregg was heard saying earlier this year, "There are three things my constituents are against: Communism, regional government and Daylight Saving Time."

The Gregg Don't Go Scenario gathers steam because if Gregg passes up the '04 ticket position, it could be as long as 16 years before he'd get another shot at the governor's office, assuming that Kernan would win and that another LG candidate would ascend to the top of the ticket by 2012.

Hostettler noted that Gregg has not formed an exploratory committee or begun to raise money in a race that would

probably top the \$2 million mark. Another factor is that Gregg's 45th House District would potentially be a competitive seat if the popular Gregg vacated it in 2002, possibly jeopardizing Democratic control of the Indiana House. To ll of which, Gregg responded, "Well, I've not talked with my Congressman."

"I've not formed an exploratory committee or raised money because the Indiana House has a rule prohibiting fundraisers during session," Gregg said last Thursday after the new CD maps were confirmed. "If he thinks I'm not running, why did he have four of his Hit Squad at the Franklin Chapel today? One spoke against the (redistricting) plan, and the whole Republican argument was really centered around the 8th...so maybe he is trying to convince himself."

## Letters to the editor

Then there was the letter to the editor campaign that sprang up at the end of last week. "Gregg has been joking about serious issues ever since he became Speaker," wrote Amanda Izsak of Bloomington. "Gregg talks about being against gambling while pushing legislation that would allow a casino in French

Lick. And the huge surplus Gregg used to brag about is now the largest deficit in Indiana history - over \$900 million - due to his leadership on deficit."

And Amy Stapleton of Whiteland wrote, "Hoosier homeowners are in for a big property tax hike in two years, and our State Legislature failed miserably to fix the problem. House Speaker John Gregg did not use his position of power to lead on reassessment, and now we will be left holding the bag. But at least he got his pay raise. But irresponsibility isn't anything new to Gregg. He routinely hides when important votes are taken, using the excuse that since he is Speaker he is not required to vote on all legislation, and that he only needs to break a tie. But how often does Gregg actually have to cast a tie-breaking vote? It looks to me like he's just another politician who is afraid to take a stand on the issues for fear of losing votes."

Gregg responded to the letters to the editor campaign, saying, "It is straight out of an RNCC manual and I'd say the Hostettler folks are behind it. Who knows, they may be wasting their time or maybe not, two weeks till I tell!!!"

The impact of the last legislative session looks to be minimal. Gregg seemed to be the broker between Gov. Frank O'Bannon and State Rep. B. Patrick Bauer. A special session would have been poisonous for him politically, so he helped get the troops out of town. That's not to say he didn't go unscathed. WRTV's Norm Cox reporting on the day O'Bannon let the budget become law without his signature, noted, "Speaker Gregg had fled the city."

### **Congressman Gregg?**

What does Gregg need to weigh when it comes to his big decision?

Can he beat Hostettler? Yes, but it would not necessarily be a slam dunk, unless President Bush's administration is mired in malaise. While the new Bloody 8th is said to be a 54 percent Democratic

district, Hostettler has proven to be an astute campaigner, eschewing PAC money while adroitly using earned media (i.e. letters to the editor; talk radio) and a dedicated grassroots following. The annual Right to Life dinner in Evansville, for instance draws hundreds of people. They love John Hostettler.

Gregg would appeal to much the same constituency. And while Hostettler comes off as a clean-cut, nice young man with an engineering degree, Gregg is a rare stew of Burl Ives, Tip O'Neill, Willie Nelson and Rex Early. Reporters love him for great quotes and good copy. Legislative Republicans are wary of savaging him lest they find Gregg's downhome, wicked wit boomeranging upside their heads. A true gauge of how a Gregg-Hostettler race would go might be comparing the number of pickup trucks and gun racks in the rally parking lot.

The pressure on Gregg is the 11-seat edge the Republicans have in Congress, with the 8th playing a key role in the Democratic reclamation project. The opportunity for Gregg is that he would be a sure hit in Washington's Democratic power and media circles and it would be easy to see him quickly entering a leadership trajectory. The question for Gregg might be, Do I want to be a big catfish in Indianapolis, or a great kingfish in Washington?

### **Lt. Gov. Gregg?**

Staying home, running for re-election would be the safer decision. Some Democratic women are pushing State Rep. Susan Crosby for the '04 ticket in the name of gender diversity, but Gregg is powerful and popular enough that he could probably cut a deal with Kernan.

The dilemma for them both is how the tax reassessment time bomb plays out. That might be an issue Gregg's political life could live without, although it could play out this year or next. Even with that millstone, a Kernan-Gregg ticket would be formidable. ❖

## TICKER T A P E

was for them then and after being (at the legislature) for eight years, I'm even more convinced I was right," said Steele, 53, who serves as the House minority whip. "People get too concerned with politics and not policy. It's a pretty polluted process, and the only way I see changes is term limits. I believe people should get out every so often and let the process begin fresh." Steele hasn't heard from anyone who wants to seek the position.

**HOOSIER LEADERS WARN BUSH ABOUT STEEL CRISIS:** If LTV Corp. folds, the impact will wreak as much havoc on Northwest Indiana as a tornado, Indiana's top lawmakers warned President Bush this week (Patricia Briske, Times of Northwest Indiana). In a letter delivered to the White House on Monday, Democrats U.S. Sen. Evan Bayh, U.S. Rep. Pete Visclosky, Gov. Frank O'Bannon and Lt. Gov. Joseph Kernan sought Cabinet-level help for the beleaguered steel industry. "Given the crisis the steel industry finds itself in today," Visclosky said, "we hope the administration and Congress act so the industry can regain its health. And if they're not going to do anything else, they've got to focus on the people who are left." The three-

*continued on page 4*

# TICKER T A P E

page letter paints an ominous picture. "Even now, 18,000 employees at LTV Steel in 8 states stand on the brink of catastrophe," it reads. The job loss would triple as other businesses would feel the shock wave, and nearly 170,000 people could lose their health benefits, part of their pension and possibly the sole source of family income, the letter states.

**PROPERTY TAX BILL SIGNED:** Gov. Frank O'Bannon has signed a major redesign of the state's property tax assessment and enforcement structure (John Schmitt, Fort Wayne News-Sentinel). The provisions of the bill dismantle the 100-year-old State Board of Tax Commissioners and replace it with the Department of Local Government Finance and the Board of Tax Review. The state expects as many as 50,000 taxpayer appeals from the coming property tax reassessment.

**BUNCICH THREATENS TO ARREST LAKE COUNTY SHERIFF CANDIDATE TODAY:** An attorney planning to announce his candidacy for Lake County sheriff may start off his campaign today in police custody. Hammond attorney Rogelio "Roy" Dominguez, a Democratic candidate for sheriff in 1994, plans to announce his candidacy today for the position in

*continued on page 5*

# PERHAPS... WE WANDER

By Brian Howey

## O'Bannon & Kernan... ... revisited

OK, here's the obligatory "Frank O'Bannon sure is a nice guy."

Unfortunately, that's not going to serve him well when he tries to convene a summit of legislative bigwigs to craft a tax code for the 21st Century sometime later this year or early next. And it's not going to be a great legacy once he steps away from the job he so loves.

But that's what he is going to be faced with if he and his top political advisers continue on the present course. Frank O'Bannon will go down in history as the "Nice Guy Governor." History often follows the adage of baseball great Leo Durocher, who once said, "Nice guys finish last."

**What the history books won't be writing is that Frank O'Bannon is a tactically astute governor. Or that he was a master strategist in getting legislation through the General Assembly. Or that Frank O'Bannon had a masterful grip on his Democratic team and could instill discipline up and down the ranks to get what he wanted. Or that O'Bannon is a visionary leader on issues other than education.**

What we saw at the end of April and the beginning of May was yet another meandering policy drift when it came to preparing the state for the future. O'Bannon accepted a budget, but refused to sign it. He shoved the first legislative pay raise that wasn't snuck into some 11th hour bill back into the puffy faces of lawmakers, forcing them to make an extremely conspicuous veto override next month. It was some of the most mealy-mouthed, dunder-headed, dim bulbed political execution I've ever seen. The repeal of the personal property tax exemption (which was a screw-up from its inception) in the governor's conspiracy with walkin' Senate

Democrats only stands to inflame farmers and small businessmen for Democratic legislators who will be running in tougher districts in 2002. That was an issue for the Republicans worthy of a silver platter.

And there was Rep. B. Patrick Bauer doing what the relatively silent Republicans should have been doing - castigating the governor. "For them not to support a budget like this really is troublesome," Bauer told the *South Bend Tribune*, adding that he had never been so frustrated with Gov. Nice Guy. "I think this is so bizarre."

**Bauer raised** another fascinating point with the *Tribune's* Martin DeAgostino. The budget, Bauer explained, was loaded up with goodies to make Lt. Gov. Joe Kernan "viable in office."

Which raises an interesting question: Is Kernan part of the inner circle making these baffling decisions that are executed with hands made of ham?

If so - and reliable sources say he is - then perhaps we've been over-estimating Kernan's political instincts. Maybe 2004 really isn't going to be a slam dunk continuation of Democratic gubernatorial rule, should the GOP get its act together.

**The time bomb** of reassessment is ticking away, and there is so utterly little incentive for folks named Garton, Borst and Bosma to even scoot up to the table to listen, let alone hammer out a deal. "My preference would have been doing it three years ago, when we had a special opportunity and money," said Sen. Garton. "Now he is running out of time and money."

Even Speaker John Gregg seems tepid. "I don't think we should go to Indianapolis and do it in a vacuum," Gregg said. "I think there needs to be some foundation and groundwork laid."

As things stand now, O'Bannon and Kernan have little groundwork laid, and a lot of legislators who feel screwed. ❖

# COLUMNISTS ON INDIANA

**Mary Beth Schneider**, *Indianapolis Star* - It was either politically courageous, or politically stupid. And only time will tell. Since legislators adjourned their session April 29, Gov. Frank O'Bannon has poked his finger first in their left eye, then in their right, and finally smacked them upside the head. Eye-poke No. 1: He vetoed the pay raise they gave themselves and judges. Eye-poke No. 2: He vetoed the bill exempting the legislature from public records laws. And the head-smack: He let the budget become law without signing it, calling it "just plain unrealistic when it comes to paying for spending." The question isn't whether O'Bannon was right or wrong. It's whether he has made it more difficult for himself to get anything accomplished in the remaining three years of his term. O'Bannon has talked about bringing lawmakers back this fall in a special session devoted to restructuring Indiana's taxes and cushioning the blow of property tax reassessment. But will a legislature that doesn't feel too kindly toward this governor cooperate? Has O'Bannon just made his own job harder? "You said it," said House Ways and Means Chairman B. Patrick Bauer, D-South Bend. "I feel I've been had more than a June bride," Gregg said. "I've got no animosity for the governor. But he's getting advice from people who don't understand the legislature and don't like the legislature. We're an easy target." And, he said, "it's not made it any easier" for O'Bannon to seek tough action from the legislature in the next three years. ❖

**Gary Gerard**, *Warsaw Times-Union* - Farmers, for example, get hit really hard when fuel prices rise. They use a lot of fuel to work the land and transport their crops. But fertilizer and pesticide manufacturers also use petroleum to make those products, so those costs will rise, too. Get

the idea that the price of food might go up with the price of fuel? Get the idea that the price of everything might go up with the price of fuel? Here are a couple of paragraphs I gleaned from an Associated Press story this week. It was talking about the price of fuel in Illinois. Pump prices in the Chicago area averaged \$1.86 a gallon Wednesday, compared to \$1.57 for the same period a year ago. Gas prices shot up to a record \$2.14 last summer. "We don't know what they're going up to," AAA spokeswoman Carol Loda said. "There's talk that they're going up to \$4. They could be \$3 to \$4 by the end of the summer. They're going up like crazy." And gas isn't the only problem. Experts are warning of the potential for rolling blackouts in places other than California. Buckle up, It may be a bumpy summer ride. ❖

**Amos Brown**, *Indianapolis Recorder* - The doubling of the Black population in Indianapolis' pre-UniGov suburbs is another bitter pill for the leadership of the Marion County Republican Party to swallow. Especially the GOP crybabies in the Legislature who angered Hoosiers with their crying, caterwauling and complaining about redistricting. It's totally unrealistic for Republicans to expect to continue their legislative hegemony in Marion County when our city/county's becoming increasingly minority, Democratic and independent. Hoosiers were insulted that House Minority Leader Brian Bosma and his legislative Neanderthal colleagues went into a snit because they didn't like the complexion of their legislative districts. Yet, Bosma insulted African-American Hoosiers with his foolish insistence that the Republicans' brief walkout was about electing an African-American from Fort Wayne and a Latino from Lake County. ❖

## TICKER TAPE

2002 in front of the Lake County government center. However, Democratic Lake County Sheriff John Buncich, who is ineligible to run for a third term, has thrown his support behind Police Chief Miguel Arredondo and threatened to arrest Dominguez if he announces his candidacy today on county property in front of the sheriff's office. Buncich cited a county policy that he says prohibits the use of taxpayer-owned property for political purposes and said "if Mr. Dominguez insists on violating county policy and/or ordinance, the sheriff's department will move to enforce this policy" (Times of Northwest Indiana). Dominguez fired a return salvo, saying, "I trust that Sheriff Buncich will not infringe upon our constitutional rights of free speech and free assembly."

**HOWARD COUNTY SHERIFF INDICTED:** The Howard County sheriff has been indicted on a charge of official misconduct for allegedly misusing commissary money to remodel a home he shares with his girlfriend (Indianapolis Star). A grand jury returned the indictment against Sheriff Jerry Marr on Monday. Marr is the second Indiana sheriff to be arrested in the last month. The Pike County sheriff was arrested on a rape charge.

*continued on page 6*

# TICKER

## T A P E

**LEGISLATURE CHANGES DRUG SENTENCING; BAUER CITES SAVINGS:** Non-violent drug offenders could spend less time behind bars as a result of several changes made to state sentencing laws by the General Assembly this session (Niki Kelly, Fort Wayne Journal Gazette). The shift in sentencing options is either a sign that lawmakers recognize a need for alternative punishments and treatment or that legislators are looking to free up space - and money - in the expanding Department of Correction. For the first time ever, some drug dealers will be allowed to serve their sentences in home detention or work release. And other inmates will be eligible for earlier release under the state's Community Transition Program. Rep. B. Patrick Bauer sought the new community transition and habitual drug offender language, and then inserted the provisions into the budget, which became law last week. "It's a tax savings, but also perhaps we need to focus more on rehabilitation," Bauer said.

**SHERIFF BUNCICH DEPUTIZES HUNDREDS, BUT WON'T SAY WHO:** There is a secret police force of hundreds of Lake County men and women who have the power to arrest, detain and carry a firearm without a permit. Yet they have little

## Young may get into Buyer-Kerns 4th CD fray

By MARK SCHOEFF JR.

WASHINGTON - A one-on-one match up between incumbent gladiators in the new 4th CD -- Republican Reps. Steve Buyer and Brian Kerns -- may turn into a battle royal between several warriors.

Republican state Sen. R. Michael Young [R] said he intends to establish an exploratory committee in June and will decide by the fall whether to formally enter the race against Buyer and Kerns. In an interview with *HPR* on Wednesday, Young said that he has tapped State Rep. Brent Steele to be his campaign coordinator in Lawrence County, the southern outpost of the new 4th CD. The district stretches from White County in the north to Lawrence in the south.

"I've represented most of the area for more than 15 years. I've represented more (of the new 4th) longer than they have," Young said of Buyer and Kerns. "The people know me personally. I'm part of the family."

Young said he would concentrate on conservative social themes like abortion, gun, family, and religious issues as well as fiscal conservatism. Constituents in the new 4th will appreciate his work in the state House and Senate, he said. "These groups remember that when there were only one or two people to count on, I was one of them. They can trust me to do the right thing. I'm solid on my values, principles and philosophy," said Young. He owns an Indianapolis rental-housing firm and has run several GOP campaigns, including Rex Early's 1996 gubernatorial effort and Gary Hofmeister's 1998 congressional race in the 10th CD.

Last week a bipartisan commission approved a map drawn by a Democratic dominated House. The new map eliminates the current 5th and 7th CDs, creating a new sea-horse shaped 4th includes all or parts of White, Carroll, Tippecanoe, Montgomery, Clinton, Boone, Hendricks, Morgan, Monroe and Lawrence counties.

Kerns, a House freshman who currently lives in the enlarged 8th CD, said he intends to move to Hendricks County. Buyer lives at the northern tip of the 4th, in White County. Kerns represents seven counties that are in the 4th. The sprawling geography of the 4th might generate more new faces in the race. "Neither of them has a great deal of name recognition in Lawrence," said GOP state Sen. Becky Skillman. "It's likely that other candidates will emerge. About one third of the state

## CONGRESS WATCH

Senate Republican caucus is in the new 4th. I can't say Lawrence County is pleased to be in the 4th, but we'll make our presence known." She will urge whoever wins in the 4th to establish a district office in Lawrence. "John Hostettler was a regular presence in Lawrence County and a man who was true to his word."

## County chairs stay neutral

Like most county chairmen, the head of the Lawrence Republicans, Daniel Bortner, said he would not make an endorsement. "That's the decision of the people. There's too much at stake when you do that."

Rod Bray, Morgan County GOP chairman, also said that he would remain neutral. "Our county (leaders) have told me they don't want to slate candidates."

In Tippecanoe County, chairwoman Ruth Davidson is taking the long view. "We have to be careful as a central committee, because this is going to set (the district) for the next 10 years." The only chairman to make an endorsement so far is Bob Bales in Hendricks County, who is backing Kerns.

## Taking the gloves off

The Buyer-Kerns race has already

sparked controversy. Two weeks ago the Capitol Hill newspaper *Roll Call* reported that House GOP leadership told Buyer to run in the new 2nd CD, which mostly encompasses the current 3rd CD. Buyer denied that House Speaker Dennis Hastert or National Republican Congressional Committee Chairman Thomas Davis [R-Va.] put pressure on him to end his run in the 4th CD. Buyer claimed the Kerns camp was spreading the rumor.

The NRCC said it is staying out of the race. "They both said that they want to run in the 4th, and that was the end of (Davis') involvement," said NRCC spokesman Carl Forti.

That is just one episode of what is likely to be a bruising race. "The word 'bloodbath' is not too much of an exaggeration in terms of where this is going to end up," said an Indiana political insider.

Sources told HPR that Buyer has indicated to lobbyists and PACs that if they give money to both him and Kerns, he will return their checks, effectively making them persona non grata should he win the race. The Buyer campaign denies the charge. "We can't tell individuals or PACs what to do or what not to do," said Mike Copher, Buyer's chief of staff. In past elections, Buyer has told givers that he would return checks if they donated to both him and his Democratic opponent.

### Interest groups step gingerly

Even if the candidates acquiesce to interest groups funding their opponents, a primary between two incumbents is creating a delicate situation for PACs. "You're forced to make a decision for one or the other," said a source involved in Indiana fundraising. "The result may be that you don't participate in either campaign."

Jeff Quyle, director of government relations for the Indiana Statewide Rural Electric Cooperatives, said, "It's going to be an evolving relationship between interest groups and each of the congressional offices. As the battle heats up, there are going to be times when people

will want to tiptoe around (discussions of the race)." His group has not decided.

"Our donations are typically contingent upon an endorsement," said Kent Yeager, director of government relations for the Indiana Farm Bureau. "The ultimate decision is going to be made by trustees who live in the district. (Buyer and Kerns) have to court our folks."

### Differing styles

Buyer's strengths include his five-term incumbency, his track record from President Clinton's impeachment and the Florida presidential recount, and his position on the powerful House Commerce Committee. Kerns has the advantage of being the incumbent in most of the district's counties and has a strong congressional lineage. His father-in-law, former Rep. John Myers, held office in the 7th CD for more than 30 years. Kerns was chief of staff and district director for Myers' successor, GOP Rep. Ed Pease.

Observers say that the pugnacious Buyer can come on too strong and lacks an effective one-on-one touch. They also acknowledge he has more stage presence and a higher profile. So far Kerns, who won a hotly contested GOP primary in 2000 with a strong grass-roots effort, connects better with people in the new district, according to some who have seen Kerns and Buyer work a room together. But Kerns is not necessarily a choirboy. He has engendered resentment among Hoosier GOP aides on Capitol Hill for throwing sharp elbows during his days heading Pease's staff.

The kinder, gentler approach could pay dividends. "This will be the third time in four cycles that this district will have to go through a devisive primary," said Quyle. "The party would probably like to see some time to heal. To the extent that a candidate can tap into that desire for a gracious primary, they'll find some sympathy among voters." ❖

## TICKER T A P E

or no police training and are answerable to only one man -- Lake County Sheriff John Buncich (Bill Dolan and Mark Kiesling, Times of Northwest Indiana). Buncich has conferred special deputy powers -- as he is permitted to do by state law -- on 217 politicians, family friends, union officials, clergy and lawyers. He said he has done it as a courtesy, a time-honored privilege. He has issued another 1,052 of the so-called commissions to county and municipal law enforcement officers, extending their police powers beyond the borders of their particular community.

**STATE REVENUES UP:** Indiana's revenue collections are running ahead of projections, but not enough at this point to allow the governor and state legislators to breathe easier about the state budget (Associated Press). April's fiscal forecast said the state would take in \$923 million less than projected this fiscal year and the next two budget cycles. April's collections put the intake \$35.9 million ahead of the forecast, but State Budget Director Betty Cockrum said while it's nice to see the increase "it would be a real mistake to think that one month's numbers are any reason to draw conclusions on where we go from here."

*continued on page 8*

# TICKER T A P E

**CHIABAI TO BE OUSTED AS 1ST CD GOP CHAIRMAN:** Lake County Republican Chairman Roger Chiabai likely will be ousted from his post as chairman of the 1st Congressional District GOP organization, say some of the area's top Republican leaders (Daniel Yovich, Times of Northwest Indiana). Chiabai already is facing a new special election at the county level in the wake of allegations of a series of improprieties at the March 3 county Republican convention, where Chiabai bested challenger Joe Hero, the party's St. John chairman, 203-73. It is unclear when that election will take place. Late last month, four of the five county GOP chairmen who represent Republican interests in the 1st District met without Chiabai and voted to replace him with Michael Aylesworth, the longtime Porter County Republican chairman, said Kenneth Culp Jr., the Jasper County Republican leader. Chiabai was out of town and did not attend the meeting, Culp said.

**INDIANA POWER UTILITIES SAY THEY HAVE ENOUGH POWER FOR THE SUMMER:** Five electric utilities outlined their electric capacity before the Indiana Utility Regulatory Commission at a summer energy forum. All five said they have an adequate electricity supply to meet the demands of the peak summer months. "We

# Indiana 2002, 2004 Racing Form

**Governor 2004: Republican:** David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Sen. Teresa Lubbers, Paul Helmke, Eric Miller, Pat Kiely, George Witwer. **Democrat:** Lt. Gov. Joe Kernan. **1996 Results:** O'Bannon (D), Goldsmith (R), Dillon (L). **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** McIntosh gave a speech at Franklin College last week in his first public assessment of his campaign. He later talked about his "unfulfilled destiny" in serving Indiana. "One of the things my campaign failed to do was introduce who I am to the voters of this state," McIntosh told students. "I didn't talk about my accomplishments in Congress -- that I was one of the first freshmen to chair a subcommittee in a generation, that I wrote and spearheaded the effort to repeal the marriage penalty. Or that I had stood up to my own leadership. Another critical missing element was telling Hoosiers what I had done for my district. We made the mistake of assuming people knew who I am and my reputation as a leader in Washington. So we launched right into a debate on the issues -- property tax cuts and education. In the process we didn't give voters the information they needed to decide they could trust me to be a leader." McIntosh then brought up the Will Statom TV ad. "This was compounded when we had an apparent inaccuracy in one of our first ads about my property tax plan. Even though the fellow in the ad was telling the truth, as he understood it, it was too late. Since many voters didn't know who I was, my opponents were able to raise a doubt about whether I could deliver on the guarantee of tax cuts." McIntosh said this toward the end of his speech: "There is a larger reason I ran for governor - and gave up my career in Congress - than these specific proposals. I believe that I have been blessed in my life because of the experiences I had growing up here. And in my heart I feel that Indiana has a unique roll to play in America's future. Our yet unfulfilled destiny is to show others here and around the world that a state dedicated to freedom, grounded in faith, and committed to the family is a great place to live." **Status:** *Leans D.*

**Secretary of State 2002: Republican:** Mike Delph, Deputy Secretary of State Todd Rokita, Richard Mourdock, Luke Messer, Paul Helmke, Carmel Clerk-Treasurer Diana Cordray. **Democrat:** Bloomington Mayor John Fernandez. **1994 Results:** Gilroy (R) 902,100, Jeffers (D) 542,539, Dillon (L) 32,483, Knight (A) 13,948. **1998 Results:** Gilroy 828,557, Little (D) 652,565, Dillon (L) 51,775. **2002 Forecast:** At least one Republican chairman has told HPR that Paul Helmke's potential candidacy probably won't be received well at the 2002 Republican convention, where the nomination will occur. He told HPR that Helmke's lackluster 1998 U.S. Senate campaign against Evan Bayh would hurt his chances. **Status:** *Tossup.*

**Congressional District 2: Republican:** Chris Chocola, State Sen. Thomas Weatherwax. **Democrat:** Roger O. Parent, Jill Long Thompson, State Sen. Bill Alexa, Katie Humphries, Cleo Washington. **Geography:** LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Miami, Carroll and parts of Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** The new 2nd CD has been stretched even farther south, with Miami County shifting into U.S. Rep. Dan Burton's 5th CD and a new nodule coming out of southeastern Cass County and taking in most of the Democratic leaning city of Kokomo. That knocks State Rep. Bill Friend out of the picture. State Rep. Thomas S. Kromkowski said the changes from the redistricting plan approved earlier in the Indiana House will give the new 2nd District just a little more Democratic potential, but not enough to take it out of the category of slightly Republican (Jack Colwell, *South Bend Tribune*). HPR had reported that the original new 2nd CD would have been a 51 percent Republican district, according to State Rep. Ed Mahern who drew the maps. Kromkowski said the final plan, just as the earlier version, leaves the city of Elkhart in the new 2nd, but puts most of the rest of that county, including the Bristol home of Chocola, in the new 3rd. "I'm not planning on moving," Chocola said in a stance that could doom his campaign from the onset. "There will be criticism. Some people will try to call me a hypocrite for what I said about Tim Roemer." In the 2000 campaign, Chocola made an issue out of Roemer not living in the district. **Status:** *Tossup.* ❖

# HORSE RACE



## HPR issues political advisory on energy

By BRIAN A. HOWEY

The very real prospects of \$2-a-gallon gasoline, rolling electrical blackouts, and the first vestiges of a drought impacting the agriculture sector, has prompted *The Howey Political Report* to issue its first political advisory. This means that these events have the potential of dramatically changing the political environment in Indiana over the next six months when candidate recruitment is in full swing.

This assessment comes, in part, due to Gov. Frank O'Bannon's politically astute decision in 2000 to suspend the state's gasoline tax as prices neared the \$2 a gallon mark last June, a move that essentially clinched his re-election. In doing so, O'Bannon may have created unreal expectations with Hoosier consumers who are now seeing gasoline prices approaching \$2 a gallon for 89 octane, with the summer driving season yet to come. With the state's financial reserves gone, O'Bannon has no such recourse this year.

**The nation's average price of gas**, including all grades and taxes, increased 8.58 cents to \$1.76 over the last two weeks -- with the Midwest and West experiencing the biggest jumps at the pump, according to the Lundberg Survey of 8,000 service stations. Ari Fleischer, spokesman for President Bush peppered with questions about the remote possibility of \$3-a-gallon gasoline this summer, said there's not much a president can do. Bush, he said, has "no magic wand" similar to what O'Bannon had in 2000.

U.S. Sen. Richard Lugar for the last several years had identified the Clinton administration's lack of energy policy as one of its most glaring failures. Fleischer identified this lack of energy policy over the last 10 years.

"The worst may already be over, because refiners are getting caught up" with supplies, said Phil Flynn, senior energy analyst for Alaron Trading Corp. in Chicago. "The bad news for consumers is

we don't have one extra drop of gas to fall back on."

**The last two times Hoosier** consumers were faced with convulsions in the gasoline supply or pricing - 1973 and 1979 - what followed was a political seachange. Obviously the 1974 election had been a referendum on the Nixon-Ford Watergate scandal and pardon. However, a case can be made that even without the Watergate scandal, Republicans would have been faced with significant losses in that mid-term election due, in part, to a lack of energy policy exacerbated by the 1973 Arab oil embargo.

The Iran Revolution in 1979 prompted gasoline shortages and long lines at gas pumps. That, in tandem with President Carter's identification of an "American malaise" and the Iran hostage crisis set the stage for the Reagan uprising of 1980 that prompted upsets by Dan Quayle and John Hiler over Sen. Birch Bayh and House Majority Leader John Brademas and the Republican takeover of the U.S. Senate.

**While soaring gasoline** prices could put Hoosier voters in a crotchety mood, the prospects of rolling electrical blackouts - which nearly occurred during a heat wave in mid-summer 1999 - has the potential to dramatically alter the political dynamic. Indiana currently has about a 12 percent reserve margin, below the 15 percent controlled generation capacity the industry prefers. While Indiana's supply is seen as more stable going into this summer, several other Midwestern states (Wisconsin and Minnesota) are operating on narrower reserve margins. A prolonged heat wave could have the potential of creating power shortages if the state must seek outside power in competition with neighboring states.

Should the energy problems be perceived as a crisis at the consumer level, the potential of the 2002 election becoming a referendum on the status quo is a distinct possibility. ❖

## TICKER T A P E

must be vigilant to prevent what has happened in California," said John Sampson, president of AEP-Indiana. "We don't think we're on that path" (Niki Kelly, Fort Wayne Journal Gazette). Instead, AEP predicts capacity for its entire Midwest system - which includes Ohio, Michigan, Indiana, Kentucky and several other states - is more than 24,000 megawatts of electric power.

**BUSH BACKS LUGAR BIOFUELS PLAN:** U.S. Sen. Richard Lugar praised the Bush Administration for backing his biofuels initiative. According to the New York Times, the Bush Administration will "encourage the widespread use of agricultural, animal and human waste to produce energy as part of an effort to expand environmentally friendly energy supplies along with fossil fuels." On May 3, Lugar joined a bipartisan group of Senators in asking the Senate Appropriations Committee to increase funding for renewable energy programs. "The increasing price of oil is a foreign policy problem that shocks us every time we go to the gas pump. The U.S. military provides the security to allow the free flow of oil from producing nations and the opportunity for world trade generally," said Lugar. "A short-term fix is not enough. We must develop a long-term strategy to stop foreign oil from future de-stabilization of the American economy." ❖