
The Howey Political Report



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“QUOTE” OF THE WEEK

“He can call us in, but he can’t make us work ...”

- State Rep. Chet Dobis, on Gov. Frank O’Bannon calling a special session

A 911 call placed; delays, bad music

House Democrats’ recalcitrance shows

By **BRIAN A. HOWEY** in *Nags Head, N.C.*

Heading south for spring break last week, I came across what looked like an awning and other large debris scattered across I-74 in southeastern Marion County. The 70 mph traffic was swerving wildly onto both shoulders and the scene was a perfect spawning ground for a bad accident.

So, not knowing what else to do, I called 911.

I was greeted by a recording that insisted that I not hang up, and that the “next available operator” would answer my call. Then -- I kid you not -- they played music. For about five minutes on a 911 call, all I heard was music. I could have been getting mugged, my kid could have been choking, my garage could have exploded, my pants could have been on fire and I waited and listened to music. It was incredible.

When an operator finally answered and I told her the problem, she bluntly told me to call the Indiana State Police and hung up. The problem was, I didn’t have that number, so I just moved on.

It’s an apt metaphor for the State of Indiana. As I traveled to North Carolina’s fabulously wild and beautiful Outer Banks, I took note of how other states do things.

For instance, in most of the East Coast states, at every interstate entrance and in many points in between, there is signage telling motorists how to contact their state police to report emergencies and drunks. Some states, you just punch in **7 and you get the state police. They utilize every motorist with a cell phone to help keep vigil. In most locations, when you call 911, someone usually answers the phone after two or three rings.

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BUSH APPROVAL RATING AT 74 PERCENT: A Wall Street Journal/NBC News poll of 1,005 adults, conducted over April 5-7 (+/- 3.2%), shows 74% approve of George W. Bush's performance as President. 68% approve of George W. Bush's handling of foreign policy; 26% disapproved. 76% approve of President Bush's handling of the war in Afghanistan.

DEMOCRATS HAVE 7 PERCENT CONGRESSIONAL GENERIC LEAD: A USA Today/CNN/Gallup poll of 1,001 adults, conducted over April 5-7 (+/- 3%), shows 50% of registered voters would vote for the Democratic candidate; 43% would vote for the Republican candidate.

BORST, MEEKS TO SKIP TAX CONFAB TODAY: Gov. O'Bannon plans to meet today with the General Assembly's fiscal leaders to provide information about the budget deficit. But Senate Republicans don't plan to send their top experts -- Sen. Robert Meeks and Senate Finance Chairman Larry Borst, R-Greenwood (Lesley Stedman, Louisville Courier-Journal). Instead, Sen. Tom Wyss of Fort Wayne, a member of the finance committee, and Sen. David Ford of Hartford City will represent Senate Republicans.

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In Indiana, such signage is rare and inconsistent. In our state's biggest county and "world class city" where both political parties ape the notion of "no new taxes," there aren't enough 911 dispatchers to take the calls for help.

There's been a 911 call placed about the Indiana economy and some of our social underpinnings. I've written extensively over the past months about the looming destruction of the steel industry and Northwest Indiana's economy; how our share of the nation's wealth has declined; how we've lost 100,000 manufacturing jobs over the past two years. There are other troubling signs. The *Bloomington Herald-Times* reported last week that the number of methamphetamine labs broken up by the Indiana State Police clandestine laboratory response team has increased from four in 1994 to 128 in 1999, 240 in 2000, and police officials expect more than 600 this year.

Meth is the rural equivalent of crack cocaine, which ravaged Fort Wayne and Indianapolis this past decade. Brace yourselves for a new crime wave, this time in places such as Bedford, Frankfort and Kendallville.

A 911 call has been placed, but all

we've heard out of the Indiana Statehouse has been pathetic music.

Gov. Frank O'Bannon did what had to be done: call a special legislative session. But in doing so, he retreated from an earlier stated notion that a deal had to be in the works before calling the kids back. He offered no specific starting point. Between the time Lt. Gov. Joe Kernan announced his plan last fall and when the regular session ended March 14, O'Bannon and his key legislative liaisons had virtually no contact with Republican leadership. This tired, tired governor didn't have the stamina to gear up a campaign and make his case before the people in all corners of the state.

Now the legislature goes back to work on May 14. But the starting point following a 2 1/2-hour meeting between O'Bannon and legislative leaders resembled a Chinese fire drill when it broke up Tuesday afternoon.

Democratic House Speaker John Gregg and Republican Senate Finance Committee Chairman Larry Borst made a bee line from the governor's office for a nearby elevator, only to be cornered by a press horde. Gregg could only say, "The governor calls us, we have to come back."

Borst was mute.

The senior Democrat in the House, Rep. Chet Dobis of Merrillville, told the *Times of Northwest Indiana*, "He can call us in, but he can't make us work." Democratic House Ways and Means Chairman B. Patrick Bauer of South Bend said, "We're entering this without an agreement. I know the governor is in a very terrible situation and I feel he just has no other choice. Sometimes you can't do the impossible."

House Minority Leader Brian Bosma, R-Indianapolis, said, "I was hopeful the governor would have something on the table we could discuss, but that wasn't the purpose of the meeting. We encouraged the governor to put on paper what his thoughts were. Both the Republicans in the House and Senate thought it was important for the governor to put together his plan and let's look at it and see."

The most obstinate legislative leader, Senate President Pro Tempore Robert D. Garton, was reflective Tuesday afternoon. Asked if the special session would be good for Indiana, Garton said, "It may be. Who knows? I hope so."

Garton had long taken the position that tax restructuring could wait until 2003. But the pressure mounted after the legislature failed to finish the job in March with a series of bad news ranging from education cuts, to revenue declines, to things such as boat ramps closing at state parks. Asked if he thought the session would take 40 days, Garton respond-

ed, "Who knows? I certainly hope not."

During this acrimonious meeting between the governor and legislators, insiders say there was a true and significant difference of philosophy. The Republicans just don't want to raise any taxes now. Period. Even if some are lowered and others raised. Even if you have to wait five minutes on a 911 call and don't know how to contact a trooper. yet several GOP lawmakers such as Senate Budget Chairman Robert Meeks admit that next year, tax increases will be inevitable. Sen. Vi Simpson predicted 13 percent education cuts were coming.

The administration wants to raise sin taxes and the sales tax, but undercut itself when threats of massive education cuts didn't manifest ... this year.

This past week, the two sides seemed intractable. The news media's initial coverage of the special session centered on the \$20,000 a day price tag. One senior Democrat told HPR, "We're going to get pounded, but it's the governor who will be remembered when this is over."

In the meantime, the job developing 21st Century Fund has been raided, economic development in Lafayette has ground to a halt, and corporations in Fort Wayne are considering moves to other states because of tax code uncertainty.

A 911 call has been placed, and all we're hearing is mournful, pathetic music with a whiny pitch being orchestrated by a set of tired, frail leaders. ❖

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Meeks said that should not be read as an indication that Republicans aren't serious about the special session. The governor's press secretary, Mary Dieter, agreed. "We're certainly hopeful they have full authority to debate the issues and talk about where their caucus is willing to go," she said. "... The fact that they are coming suggests they are sincere about working with us."

FARMERS, MOBILE HOME OWNERS TO GET DINGED:

An unheralded change in state law is expected to create headaches for tax officials in Morgan County. The calls haven't started yet because tax bills haven't been mailed, but Auditor Brenda Adams said she expects to get an earful. The culprit: The legislature's elimination of a \$12,500 personal property tax reduction credit (Indianapolis Star). Most residents won't know of the change until tax bills are sent out. Hit hardest will be farmers with lots of equipment, businesses with large inventories and owners of mobile homes. Most owners have not paid any personal property tax on mobile homes the past two years because of the credit, but they will get dinged when tax bills on mobile homes go out.

HASTERT PRAISES ROE-

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**The
Howey
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Tax Restructuring Briefing, 11 a.m. April 15:

The *Howey Political Report*, the *Indianapolis Business Journal* and the Indianapolis Press Club will conduct a briefing by Indiana economists on the tax restructuring process and the various legislative plans. It will take

place at **11 a.m. April 15** at the Indianapolis Press Club. There will be no charge and the briefing is open to the general public. ❖

INDIANAPOLIS  NEWSWEEKLY

what are people talking about? what do they need to know?

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MER: Even though House Speaker Dennis Hastert's visit was aimed at electing a Republican in the 2nd, he had kind words for U.S. Rep. Tim Roemer, the South Bend Democrat who now represents much of the territory of the new district. Roemer isn't seeking re-election. "I think Tim's done a good job," said Hastert, who praised Roemer for his role in passage of the education bill (Jack Colwell, South Bend Tribune).

STATE POLICE POST DEFENDED: State Rep. Scott Reske, D-37th District, has pledged a fight against any move to close the Pendleton State Police Post (Ken de la Bastide, Anderson Herald-Bulletin). Reske said that because the Indiana Reformatory, the Pendleton Correctional Institution, and the Correctional Industrial Facility are situated along Ind. 67, the Pendleton post, which was opened in the 1920s when the State Police was formed, should remain open.

PENCE JOINS LAWSUIT AGAINST CFR BILL: Congressman Mike Pence has joined U.S. Sen. Mitch McConnell, U.S. Rep. Bob Barr, the Indiana Family Institute, and various other groups in bringing suit against the Federal Election Commission (FEC) and the Federal Communications Commission (FCC). Pence

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Peterson seeks pressure for historic moment

INDIANAPOLIS - Indianapolis Mayor Bart Peterson has actively pushed for a resolution of tax restructuring. HPR's Brian Howey sat down with the mayor at noon today to talk about his reasoning.

HPR: You said going into the legislative session last winter there was a 10 percent chance of revamping the state's tax code, then it improved dramatically before it collapsed. What do you think happened?

Peterson: The only thing that will cause a resolution here is for the pressure to be very intense of the legislature to act. These are difficult decisions. This is a historic moment and historic moments by definition are difficult. They're not ordinary; they're not routine. It requires everyone to step out of their comfort zone. That will happen if the pressure is intense for them to act. The Alliance for Indiana's Future has been remarkably effective and they are stepping up the pressure.

HPR: What kind of pressures are legislators feeling, and from whom?

Peterson: They were feeling it from the Alliance. The Alliance is a remarkable combination of organizations and institutions that are not typically allied with each other. To come together to rescue the state's future the way they did had a powerful impact. On top of that, it's important to acknowledge there were a lot of profiles in courage during the session, in the executive branch and the legislative branch; and on both sides of the political aisle. People were willing to take risky positions and try to lead. When we're at a historic moment and going through a sea change, that's when some people step up. That gives me optimism that most people don't have right now.

HPR: If nothing is done by next February, many homeowners are going to see their mortgage payments increase due to the tax escrow accounts. When do you expect that to happen if the status quo

remains?

Peterson: I don't know when. I've had an impossible time trying to get an answer.

HPR: So have I.

Peterson: It could be sooner than that. It depends on when different mortgage companies reformulate their escrows. If you're going to have to pay a higher tax in May 2003, they're going to have to start escrowing on the basis of the average monthly payment during the

HPR

INTERVIEW

course of 2003 to enable them to have the money in place in May and November. It wouldn't surprise me at all if we started seeing those escrow increases before the end of this year. Same thing with landlords collecting higher rents. The landlord knows property taxes will be going up and the rents are tied into that. If it's a residential lease that starts on Jan. 1, the landlords are going to be offering renewal rents at a higher rate before you get notice of your 2003 lease. We're going to start to see signs of this occurring and the ensuing panic even before the end of this calendar year.

HPR: The masses don't seem to be emotionally involved in this; they know there's a problem but they don't know the extent. Thus, not much pressure from the grassroots...

Peterson: Probably not. These are complicated issues that right now are not touching people in a tangible way. With the governor's call for a special session and the ramping up of the mayors and the Alliance, we're seeing the kind of pressure coming on that will have some impact. I don't think there will be a grassroots revolution over economic development right now. It's incumbent on us as elected officials to help people understand the negative consequences for economic development, education, higher education.

Things that will directly impact them, like major tuition increases at universities. Economic development in this state is on hold right now. There is no way we can value a tax abatement today. We can't value a tax credit. We don't know what taxes are worth because we don't know what the tax structure is going to be. The uncertainty of our economy in this state right at this moment means we need to educate people that businesses are not going to make investments when they know the tax structure is going to change but they don't know exactly what it will be or how.

HPR: If we wait a year, we're looking at the changes coming at the end of next April or May.

Peterson: It's a year from now. There's a broad understanding in businesses and the legislature that we have to do something. What I don't think is understood is we are suffering the consequences of inaction today. If they go on the normal schedule and don't reach an agreement in the special session, it is literally a year - 13 months - before anything will change. Economic development will be on hold during that time. That's just unacceptable. Same with education. We have been arguing in this state for years about accountability in our schools, from our teachers, our students. We have demanded it and we've reached a remarkable consensus. We have accountability rules in place now. But the essential component of that was remediation for those who are unable to pass those tests. Those dollars have been cut!

HPR: Lafayette Mayor Heath says that city's economic development has halted. Fort Wayne Mayor Richard fears his city may lose existing companies. Any similar examples in Indianapolis?

Peterson: I don't have any specific examples of something that has stopped in its tracks because of this yet. But we're less than a month into this. I do think we'll have specific examples soon.

HPR: What happens to the life sci-

ence initiative this year if nothing happens?

Peterson: All these forces came together to put this initiative together. We're all on the same page. The future is thrilling. This is like a railroad crossing guard arm coming down. Boom! Right down in front of this. We were very pleased when in a national publication, *SSTI Weekly Digest*, we got a nice write up. Well, they've got a new notice now: "The future is on hold in Indiana." That's the headline. Whatever positive publicity we got in that newsletter is more than negated. That's just an example of perceptions. Now let me tell you the reality on three major things. Two that are critical now are the 21st Century Fund is gone! It's gone. We're talking 15 months before a nickel might be available. The R&D tax credit was supposed to increase from 5 percent to 20 percent. Well, it's going to go from 5 percent to zero on Dec. 31. It ought to be 20 percent today. The third is the gross receipts tax, which is a horrible penalty for startup technology businesses, which are based on research. It requires high end up front expenditures. They pay taxes on their revenues, not profits.

HPR: Are other states about to leap over us in the life sciences.

Peterson: Pennsylvania has just put \$100 million of its tobacco settlement money into biotech research grants. While we're killing our 21st Century Fund, they've doubled the amount.

HPR: Mayors will be first on the ballot in 2003. What pressure do you feel? Mayors Richard and Lloyd in Evansville have tough races coming up.

Peterson: It's just essential for us to fix the property tax hikes. I don't worry about it politically because none of us got elected without having some political ability. All of us are going to be able to effectively explain that it's not our fault. I would rather not have to even deal with that issue. I'm more concerned about people on fixed incomes who may lose their homes. ❖

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and his co-plaintiffs in the lawsuit allege that the FEC and FCC, in enforcing the Shays-Meehan Campaign Finance Bill unconstitutionally limit the free speech rights of Americans.

CARSON TO PUSH CONGRESS ON DST: A proposal announced by U.S. Rep. Julia Carson, D-Ind., would ask Congress to force the state legislature to vote on whether it wants to join the 47 states that have adopted daylight saving time. Clocks elsewhere moved forward Sunday, and Carson plans to introduce within a few days legislation that would repeal the amendment to federal law that allows Indiana to set its own time instead of observing daylight saving time. Carson's proposal would require the General Assembly's approval, and if the legislature did not act, the state would, by default, observe daylight saving time. "It is past time. It is overtime for Indiana to move ahead," Carson said. Carson's opponent, Republican Brose McVey backed the initiative.

HOOSIER RX PROGRAM UNTAPPED: HoosierRx remains largely untapped, with only about 15 percent of those eligible enrolled in the program (Ella Johnson, Evansville Courier & Press). The fund is expected to grow to around \$33.5 mil-

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lion on July 1, when an additional \$15.5 million from the national tobacco settlement is pumped into the budget. The fund currently has about \$18 million unspent. The state has paid out less than \$6 million in refunds since the program was launched in October 2000, and there are some concerns Gov. Frank O'Bannon may be tempted to tap into the fund to help ease the state's financial problems. It is also doubtful HoosierRx will implement a discount drug card by the July 1 deadline set by legislation recently signed by the governor.

TECH PAC HAS NOT REFORMED: When technology lobbyist TechNet Indiana split away from its Silicon Valley parent in December, TechNet's leaders promised a new political action committee would soon be formed in its place (Indianapolis Business Journal). Loosely dubbed TechPAC, it was argued a laser-like focus on Indiana's Statehouse would allow a better allocation for limited local technology dollars. Now the 2002 session of the General Assembly has come and gone without a peep from TechPAC. In that same time, state budget shortfalls forced Gov. Frank O'Bannon to gut the \$50 million 21st Century Research and Technology Fund. Legislators even let

Indiana 2002 Racing Form

Trendline: USA Today/CNN/Gallup has the congressional generic question at 50-43 percent favoring the Democrats. A Wall Street Journal/NBC poll has President Bush's approval rating at 74 percent.

Governor 2004: Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Mitch Daniels, Eric Miller. **Democrat:** Lt. Gov. Joe Kernan. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Kernan appeared at the side of O'Bannon at the press conference in which the legislature was called into special session. It prompted one prominent Democrat to say to HPR, "When you take a bullet, you do so for a better day. But there's no better day in sight." The risk of Kernan's loyalty is that if a special session goes up in smoke, the administration stands to lose much. Doc Bowen sent a fundraising letter out on behalf of Miller pointing out that he has raised the most money, "has received a tremendous amount of positive press coverage" and has spoken to seven county Lincoln Day dinners. The Bowen letter pointed out that Bill Styring and Jewell DeBonis have signed on with the Miller campaign. The letter ended with Bowen noting, "A contribution from you now - early in this election cycle - is critical to maintaining the momentum that Eric has built." **Status:** *Leans D.*

Congressional District 2: Republican: Chris Chocola, Lewis Hass. **Democrat:** Jill Long Thompson, Mark Meissner, State Sen. William Alexa, Kathy Cekanski Farrand, Steven Osborn. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** House Speaker Dennis Hastert was in South Bend last week to campaign for Chocola. "This is a very important district for us," Hastert said, adding that the race could determine whether Republicans retain their slim House majority. "We're going to support him (Chocola) every way we can," Hastert said (*South Bend Tribune*). The speaker said the importance of a Republican majority in the House was shown in the effort four times to push through a stimulus bill that Democrats in the Senate rejected on the first attempts because of demands for longer unemployment benefits. "I've talked to a lot of people that don't have jobs," Hastert said. "They don't want unemployment benefits. They want a job. So what we tried to do is pass legislation to create jobs in this country." **Primary Status:** *Leans JLT.*

Congressional District 3: Republican: U.S. Rep. Mark Souder, Paul Helmke, William Larsen. **Democrat:** Jay Rigdon. **Geography:** Fort Wayne, Goshen, Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** South Bend-Elkhart, Fort Wayne. **2000 results:** Souder (R) 131,051, Foster (D) 74,492. **2002 Forecast:** Former Fort Wayne Mayor Paul Helmke criticized incumbent U.S. Rep. Mark Souder's voting record Monday, saying he would have backed the president's education bill earlier in the legislative process and supported bills to change campaign financing (Mike Gruss, *Fort Wayne Journal Gazette*). Souder defended his record at Monday night's debate sponsored by the Greater Fort Wayne Chamber of Commerce. He said he backed the education bill on its final passage and that the campaign finance bill "went awry" and violates First Amendment rights. For Helmke, the criticism marked the most pointed remarks he has made about Souder since he announced his challenge to the four-term congressman. After the debate, Helmke said his comments revealed that, "Tonight is really the kickoff to the campaign." Helmke said he is concerned that Souder did not support President Bush's Leave No Child Behind bill. Although Souder voted for the bill on the floor, he did not support it in committee. Helmke then took note of Souder's vote against recently passed campaign finance legislation, saying he would have supported Bush, who signed the bill. "Money plays too large a role in this," Helmke said. "This

HORSE RACE

is a time when folks should be doing their jobs and not dialing for dollars." Souder responded later that he didn't back the bill because it denied advocacy groups such as the National Rifle Association the right to advertise for candidates, violating their right to free speech. In the commercials he has run thus far, Souder questions Helmke's support of the Clinton stimulus package in the early 1990s. When tax policy is something everyone has an interest in, Helmke should be asked to explain why he took a position that most Republicans opposed, the ad says. He suggests there was something wrong with Helmke trying to be the GOP's choice in 1980 to replace Dan Quayle in the congressional seat, and criticizes Helmke's 1970s support of unigov for Allen County, modeled on the system created in Marion County by then-Indianapolis Mayor Richard Lugar. He insists taxes went up during Helmke's 12-year tenure as Fort Wayne's mayor. Helmke's single commercial -- he began running the radio ad last week -- reminds people that he used to be Fort Wayne's mayor. It's an "introduce the candidate" commercial that doesn't mention or allude to Souder. **Primary Status:** *Leans Souder.*

Congressional District 4: Republican: U.S. Rep. Steve Buyer, U.S. Rep. Brian Kerns, State Sen. Mike Young, Tim Baynard, Thomas Herr, Bob Smith. **Democrat:** Open. **Geography:** Tippecanoe, Clinton, Boone, Montgomery, Hendricks, Morgan, Lawrence and parts of Marion, Johnson, Monroe, Fountain and White counties. **Media Market:** Lafayette, Indianapolis, Terre Haute, Evansville, Louisville. **2000 Results: Old 5th CD:** Buyer (R) 132,035, Goodnight (D) 81,423; **Old 7th CD:** Kerns 131,562, Graf (D) 65,174. **2002 Forecast:** Buyer and Young are shopping internal polling. Buyer claims his campaign is "right on track." Young claims that Buyer has slipped from 33 percent to 25 percent from a 2001 Vargus poll. Neither campaign will release many details. The Buyer campaign reports that the congressman is working the district "day and night" and has "found his pace." Kerns is largely missing from the campaign trail while his wife, Laurie, and father-in-law and former Congressman John Myers stump for him. Young has yet to release his year-end FEC numbers. Buyer is running heavy radio districtwide with TV coming in the near future. A Buyer direct mail piece went out earlier this week. The *Indianapolis Star* reported that some believe Baynard entered the race to occupy the first ballot slot and will take 3 to 5 percent away from Buyer. No debates have been scheduled due to Kerns's lack of availability. Last Monday, Kerns joined House Transportation Committee chairman Don Young, R-Alaska, for a 3 p.m. event in Indianapolis, focusing on the Hoosier Heartland Corridor. Just 30 minutes later, Buyer brought to Lafayette Reps. Jack Quinn, R-New York, chairman of the transportation committee's railroad subcommittee, and Ray LaHood, R-Ill., from the appropriations committee. The trio talked about high-speed rail's future as well as the Hoosier Heartland Corridor with Lafayette Mayor Dave Heath in attendance. All three candidates will appear at the Morgan County Lincoln Day dinner on April 20 at Monrovia HS. **Primary Status:** *LIKELY BUYER.*

Congressional District 7: Republican: Brose McVey, Jack Reynolds. **Democrat:** U.S. Rep. Julia Carson, Bob Hidalgo. **Geography:** Indianapolis. **Media Market:** Indianapolis. **2000 Results:** Carson (D) 91,300, Scott (R) 61,818, Ali (L) 2,513. **2002 Forecast:** Carson and McVey made a joint appearance backing a Congressional proposal that would force Indiana to observe DST. While Carson is carrying the legislation, McVey had worked with DST proponent Scott Jones on the issue last year during the Indiana General Assembly session. McVey issued a federal tax reform proposal on Wednesday. McVey said, "I believe our federal tax system is broken. It's not working for us, and it needs to be fixed. This time of year is tremendously stressful for families as they try to figure out an extremely complicated tax code. Our tax system needs to be more simple, and the IRS needs to work for taxpayers, instead of against them." He went on to list his specific plan: First, I strongly support the efforts in Congress to rein in the IRS. I would support legislation to simplify our tax code, protect taxpayer privacy, make filing easier, and increase the fairness of tax collection from the IRS. Second, I believe we should further simplify the code, so that most taxpayers can file their return on a single sheet of paper. Thousands of pages of legalese, only burdens Hoosier families, generates mistakes and encourages fraud. Third, the Bush tax cuts should be made permanent. Hoosiers pay an average of 33.4% of their wages in federal taxes. By making the tax cuts permanent, we keep more dollars in taxpayers pockets, and thereby give them more money to save and spend in Indiana." **Status:** *Leans Carson.* ❖

TICKER

T A P E

Indiana's modest 5-percent research and development tax credit lapse. Economic development via technology-based business seems far from a political priority at the moment. And TechPAC is still barely on the drawing board. "There has been an effort across a number of different groups to develop a technology lobbying group focused on state issues as opposed to federal issues," said Indiana Technology Partnership spokesman Cam Carter. "Folks from the lobbying and legal community, ITP, [Indiana Information Technology Association] and Indiana Health Industry Forum have been talking about that, but nothing has moved forward." Former TechNet Indiana Chairman Scott Jones remains a member of the national TechNet's executive committee, Carter said, and the organization remains linked to the Hoosier state. "There still is a tie there; it just isn't on a formal basis," he said.

BAD ENVIRONMENTAL GRADE FOR INDIANA SENATORS: Environmentalists are giving both of Indiana's U.S. senators poor grades for their votes on national energy issues, according to an energy report card released recently by a coalition of groups including the Indiana Public Interest Research Group and the Sierra Club's Hoosier Chapter (Mark

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Wilson, Evansville Courier & Press). Sen. Richard Lugar, a Republican, earned an F and Sen. Evan Bayh, a Democrat, scored a D. "Both senators earn particularly low marks for their votes rejecting raising car fuel efficiency standards, while Sen. Bayh scores high for his vote in support of a national renewable energy standard," said Amanda Roll-Pickering, of INPIRG.

BURTON TO MAKE POST OFFICE TOP PRIORITY: A senior aide to House Government Reform Chairman Dan Burton (R-Ind.) said Republicans hope to negotiate a postal overhaul bill with Democrats and go to the House floor for a vote (Washington Post). "Burton's number one priority this year is legislation to steady the ship, if you will. . . . From our viewpoint, without prompt enactment of postal reform, the Postal Service is on its deathbed," the aide said.

COSTLY CONFERENCE: East Chicago has lost about \$6 million in property tax income this year due to several corporate bankruptcies, but last week it sent six city councilmen to a conference of the National Puerto Rican Coalition in San Juan at a cost of more than \$15,000 (Michael Puente, Gary Post-Tribune).



COLUMNISTS ON INDIANA

Leslie Stedman, Louisville Courier-Journal - The hemorrhaging continues. Last week the state learned that March tax revenue did not come in at the levels projected by economic forecasters in November. In fact, collections were \$54 million below the projection. And the November estimate marked the third time revenue had been revised downward since the state's two-year budget was written last year. So far this fiscal year revenue is \$92 million below expectations. Gov. Frank O'Bannon called the situation "dire." State Budget Director Betty Cockrum said the revenue declines show Indiana may not be sharing in the national economic recovery touted by analysts. That would be unusual. Typically, Indiana and other manufacturing states are among the first to recover from an economic recession. But the state's tax structure -- which has been in limbo for years -- could be holding Indiana back. That's because companies in Indiana and businesses considering locating in the state are concerned about how a court-ordered property reassessment will affect them. ❖

Jack Colwell, South Bend Tribune - Who wants to be a millionaire? Well, there are four contestants: Bill Alexa, Kathy Cekanski Farrand, Mark Meissner and Jill Long Thompson. One of them will get a million dollars. It has nothing to do with questions asked by Regis. Rather, the winner will be determined by answers provided by Democratic primary election voters on May 7 in Indiana's new 2nd Congressional District. The winner of the Democratic congressional nomination will get a million bucks. Maybe a little more. Certainly not much less. Not money to keep, of course, but to spend, every cent of it, on a race that could determine if Republicans retain their slim control of the U.S. House of Representatives or if

instead Democrats gain a majority. The battle for control of the House could be very close. And only a limited number of the 435 House seats will be decided in "battleground" districts. Those are districts where each party has a real shot at winning and where each will go all out for victory. Most districts, more than ever after redistricting, are in the "safe" category for one party or the other, often with a long-time incumbent facing only token opposition from an ill-financed challenger who is written off before Labor Day, actually before Dyngus Day. The new 2nd, stretching from South Bend to Kokomo, is a "swing" district. Vote statistics from past elections show it could go either way in a congressional race. Thus, a battleground.



Sylvia Smith, Fort Wayne Journal Gazette - "Paul Helmke is almost too decent to be in modern politics," Helmke's media consultant, Jay Smith, said after Helmke's 1998 loss to Evan Bayh in the Senate race. "It's more important for him to maintain a reputation as a good person than to win. I admire that. But if you're the underdog, you've got to give people reasons not to vote for the frontrunner. Sometimes those reasons aren't pleasant. You've got to take off the gloves at some point," Smith said. When a client loses, it reflects poorly on the media consultant. So you may want to take Smith's comments with that in mind. But there's plenty of truth in what Smith said; it's worth keeping in mind as you see this year's Republican congressional primary race unfold. Helmke wants to kick Rep. Mark Souder out of a job. Souder wants to keep that job. If Helmke thinks Souder's doing a lousy job - or even if he thinks Souder is doing an adequate job but that he could do better - it's up to Helmke to say so and give explicit examples. ❖