



Can Barack Obama carry Indiana?

With or without Evan Bayh, yes he can

By **BRIAN A. HOWEY**

INDIANAPOLIS - Come next November, can Barack Obama carry Indiana and its 11 Electoral College votes? Yes he can. At this point, it seems unlikely almost due to the force of history, but possible. But if Obama were to put U.S. Sen. Evan Bayh on the ticket, the odds increase dramatically. While there's been plenty of talk about the Democrats carrying New Mexico (five) and Colorado (nine), prying the Indiana Eleven must be appealing to Democratic strategists. This despite John McCain's advantages, which include initial support during the presidential primaries from Gov. Mitch Daniels, plus its red state history that usually have it marked up on the Republican side of the ledger around 6:01 p.m. in every election since 1968.

There was a record 1.7 million turnout in the May primary, including 1.3 million who voted Democratic. The Obama campaign registered at least 90,000 new voters and



Barack Obama drew capacity crowds, like this one in Plainfield in Republican Hendricks County on March 15. (HPI Photo by A, Walker Shaw)

has a goal of registering 100,000 more Hoosiers between now and October. The campaign's registration group meets every Wednesday in Indianapolis to work on the goal.

"It's a new year," said Michael Davis of Gauge Market Research. "We've got an African-American nominee

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Lugar, Obama & McCain

By **JACK COLWELL**

WASHINGTON - Barack Obama's mentor on international affairs is an Indiana Republican who supports John McCain for president. Sen. Richard G. Lugar urged Obama to seek membership on the Senate Foreign Relations Committee back in 2005, when Lugar was chairman of that prestigious committee. Then, when Obama became a member, he let the freshman senator from Illinois travel with him to Russia to view the continued progress of the Nunn-Lugar program, the program that has rid the world of thousands of nuclear warheads in the former Soviet Union,



"No, but that's not too important. What's important is the casualties in Iraq."

- U.S. Sen. John McCain, asked on the Today Show when the U.S. will pull out of Iraq



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weapons once aimed at the United States.

Mutual concern and respect led to passage of the Lugar-Obama nonproliferation initiative. Patterned after Nunn-Lugar, the initiative seeks to get rid of stockpiles of conventional weapons, such as shoulder-fired missiles that terrorists could use to down airplanes. It also enhances efforts to detect and interdict weapons of mass destruction.

So, it was not surprising that Obama, during his quest for the Democratic presidential nomination, cited his work with Lugar and ran TV commercials showing a photo of the two of them. Obama said Lugar is the type of Republican he would welcome in his Cabinet. And there even was some rather far-fetched speculation last week that Lugar could be on Obama's list of vice presidential running mates.

What does Lugar say?

Well, he repeats what he said consistently before when mentioned as a possible secretary of state in Republican administrations: "No."

"It would not be a good idea for a president or for me," Lugar said as he discussed this latest speculation over lunch in the Senate Dining Room. "We can do the best for the president and the country right where we are," he said.

Lugar, though no longer Foreign Relations Committee chairman, with Democrats controlling the Senate, still is the most respected Republican voice on foreign relations in the Senate. He welcomes that role, even when he has felt compelled to break with a president of his own party over policy in Iraq. He warned

early that the Bush administration had inadequate planning for what to do after initial military victory in Iraq. Unfortunately, his warnings were ignored.

Lugar would be unable to issue any such public warnings if serving in a president's Cabinet as secretary of state.

U.S. Sens. Richard Lugar (left) and Barack Obama in Russia in 2005. (Lugar Senate Photo) "If you are part of the administration, you are working for somebody else," he said. He would rather work for and at the pleasure of the voters of Indiana, who seem to admire his willingness to speak out on international affairs and to seek a bipartisan approach.



U.S. Sens. Richard Lugar and Barack Obama in Russia in 2005. (Lugar Senate Photo)

On the Foreign Relations Committee, he seeks consensus, contending that the nation is in the strongest position when united on foreign policy. That was one of the reasons he telephoned Obama right after the Democrat was elected to the Senate and encouraged him to seek membership on the committee. He knew of Obama's interest in the Nunn-Lugar program and wanted to enlist the rising Democratic star in a bipartisan



approach.

Lugar praised Obama for willingness to learn of issues before the committee and participate in the work, including work on the initiative they cosponsored. Lest anyone draw the wrong conclusion, Lugar is a Republican and will support McCain, not Obama, for president. "I cast a vote for John McCain recently in the Indiana primary," Lugar said, "And I will do the same in the fall."

He praised McCain recently after the presumptive Republican presidential nominee distanced himself from the Bush administration by vowing to work more closely with Russia on nuclear disarmament and by calling for a reduction in tactical nuclear weapons in Europe. In fact, Lugar conferred with McCain before McCain made those comments. He then was prepared immediately to respond with agreement.

"It was deliberate on his part," Lugar said of McCain's desire to strike out on a course differing from that of President Bush.

Chances are that either a President McCain or a President Obama would show more interest in Lugar's

views on foreign relations than ever was shown by President Bush, who preferred to believe Donald Rumsfeld instead on whether there was an adequate plan for what to do after troops reached Baghdad.

Does Lugar think Obama has the experience needed to handle challenges of the presidency? No. But he quickly added that McCain doesn't either, because "nobody does." The challenges are so enormous, he said, that nobody can step into the office and readily find answers. In Iraq, he said, the next president, whether McCain or Obama, will face "the same problem," how and when to withdraw troops, no matter whether they should or shouldn't have been sent there in the first place.

Lugar didn't school Obama on international relations to help Obama to become president. But that schooling could help the country if Obama does reach the White House. ❖

Colwell has reported on Indiana politics for the South Bend Tribune for almost five decades. His weekly column appears at www.howeypolitics.com on Mondays.

Obama, from page 1

for president, a female nominee for governor and all those newly registered voters. We don't know what issue will motivate them. While I would put Indiana as leans McCain, Indiana is no longer an automatic red state. Six months ago I would have said I'd be shocked if Obama would carry the state. But today I would not."

Chris Sautter, an Indiana native and Washington political media consultant, said, "I think the vast majority who voted in the primary will vote Democratic in the general. And there's more. The Obama people are coming back in. Even if Indiana isn't in play next fall, they will have done a lot of registration work."

An internal poll taken on behalf of Democratic gubernatorial candidate Jill Long Thompson showed Obama leading John McCain 43-42 percent. It was taken on May 20-22, before Hillary Clinton suspended her campaign and backed Obama. The poll had a 3.5 percent margin of



Republican presumptive presidential nominee John McCain and Gov. Mitch Daniels at an Indianapolis town hall in March. (HPI Photo by A. Walker Shaw)

error.

"They think they can put it in play," said Sautter, who communicates regularly with David Axelrod of the Obama campaign. "The scenario is he continues to register tens of thousands of unregistered voters while he generates turnouts in college communities and inner cities at record numbers," Sautter explained. "I think we know from the primary that he has unique appeal in areas where Democrats have not done well. He carried Hamilton and Boone and those are higher income areas that normally go pretty heavily Republican. He won't carry those counties again, but if he makes strong showings in suburban Indianapolis counties that would normally be a slam dunk with Republicans and combines that with huge turnouts with younger voters, African-Americans and traditional Democrats, I think he can pull it off,"

Jay Kenworthy, communications director for the Indiana Republican Party, echoed



HPI's analysis. "It's unlikely, but possible," Kenworthy said. "I can't imagine that Barack Obama would focus on our state. He spent millions of dollars and a ton of time in the primary, and still couldn't pull it off. He made no inroads in Southern Indiana. And two of the counties he did win, Boone and Hamilton, are Republican strongholds. It's kind of hard to imagine him trying and winning in November." A third Obama county, Elkhart, is also a GOP stronghold.

What about an Obama-Bayh ticket? "Maybe Evan Bayh joining the ticket would change it," Kenworthy said. "But that's not likely. That would take out other states we would hope to pick up."

Sautter said of Bayh, "Obviously Evan Bayh on the ticket gives real hope to carrying Indiana. He remains very popular, not just among Democrats, but everybody. In our own polling, there was no evidence that he was at all damaged at taking a side in the Democratic primary. He does bring a good combination of qualities to Obama: the background in intelligence and military matters, as well as having been a governor. Those are all qualities that would greatly benefit the ticket. The thing about Bayh is you don't get what you might get with Hillary; he's not exactly the new Obama politics, but he's fresh."

Sautter acknowledged that Bayh would not be as politically powerful in other Midwestern battleground states such as Ohio, Michigan and Iowa. "He's not that well known in those states," Sautter said. "But that being said, he's a comfortable choice for voters in Midwestern states.

He's a Midwesterner. His views are moderate. He's got a voting record that everybody would be comfortable with. I always think the most important rule is, do no harm. He's been vetted. That's the danger if you go to the list below those who haven't been on the national stage. U.S. Sens. Jim Eagleton and Dan Quayle received veep nods, but they had not been on the national stage like Bayh has."

Sautter interviewed Sen. Bayh for an Indiana Democratic Convention video introducing Thompson on Tuesday. Sautter said he mentioned the veepstakes and Bayh's first response was, "It's the silly season."

In an MSNBC interview with Andrea Mitchell on Tuesday, she noted that Indiana "is a red state" (even though Democrats have held the governorship for 16 of the last 19 years, have a 5-4 lead in the Congressional delegation, hold a U.S. Senate seat, the Indiana House, and a clear majority of the big and medium sized city halls) and said that MSNBC has it "leaning McCain." Could Obama carry Indiana, particularly with Bayh on the ticket? Bayh responded, "You'd have to ask Barack and his people that

question. I'm for whoever he's for. But I will say this, putting me aside, the state of Indiana is very competitive. I saw a poll out of our state just last week that had it 43 for Barack Obama and 42 for John McCain. Now this comes on the heels of a very active primary in our state. There was a lot of advertising for Barack. He campaigned very actively, so you have to take that into account. But that shows very much we could go either way in this election, irrespective of who is chosen for vice president."

Asked if Obama veep vetters Jim Johnson and Caroline Kennedy had asked for his tax returns and other documents, Bayh said, "Not yet, but even if they had



Sen. Evan Bayh and Sen. Hillary Clinton at the Anderson Wigwam in March. (HPI Photo by A. Walker Shaw)

asked, I suspect I wouldn't be able to tell you."

This past week, it has become increasingly clear that the American economy will likely be the driving force leading up to November. Sautter explained that the election could be decided over whether the economy improves between now and then. "People are scared," Sautter said, echoing analysis from the April Howey-Gauge Poll Briefing where our polling showed economic issues paramount to Hoosier voters. "We have an unusual phenomenon of a coming recession combined with inflation. That's a combustible combination."

In the April 23-24 Howey-Gauge Poll, the right track/wrong track numbers stood at 39/41 percent. While taxes lead the major problems facing Indiana at 23 percent, five of the next six topics were all pocketbook related: 19 percent citing jobs and wages, 12 percent gasoline prices, 12 percent the economy, 7 percent health care, and 4 percent loss of industry. Broken down further, Republicans (27 percent) and independents (29 percent) named taxes the top issue, while Democrats (25 percent) named



jobs and wages as their top issue. In Howey-Gauge cross tabs, 24 percent of both McCain and Obama supporters named jobs and wages as their top issue. Obama supporters rated other issues: 11 percent the economy, 12 percent gas prices and 5 percent loss of industry. McCain supporters rated the economic issues virtually identical to Obama's.

Davis explained, "People are scared about pocketbook issues. Before, they were worried, but now they're scared. Clearly this will be an economic election." In the April Howey-Gauge survey, the question of interest in the November elections on a 1 to 10 scale, 82 percent of Democratic voters answered either 9 or 10, compared to 72 percent for Republicans.

This week saw what the New York Times characterized an Obama "two-week assault on...McCain's economic policies in a series of battleground states," in an attempt to define the general election campaign by focusing on the economy as the central "prevailing theme." Obama said, "This is the choice you face in November. You can vote for John McCain, and see a continuation of Bush economic policies -- more tax cuts to the wealthy, more corporate tax breaks, more mountains of debt and little to no relief for families struggling with the rising costs of everything from healthcare to a college education."

The Wall Street Journal explained that with drivers paying an average of \$4 a gallon for gas for the first time and the U.S. posting a fifth straight month of job declines (though Indiana's jobless rate held steady at 4.7 percent), the economy is at the forefront of the presidential race." The issue "provides one of the starkest contrasts between Republican John McCain and Democrat Barack Obama, who hold opposing views on such economic policies as extending the Bush tax cuts and a temporary suspension of the federal gas tax. Sen. McCain supports both measures, and Sen. Obama opposes them." Many observers, including HPI, believe the gas tax holiday issue backfired on Hillary Clinton in the primary, where she eked out a 1.14 percent plurality despite the worst two weeks of the Obama campaign, which had to fend off the Rev. Jeremiah Wright story.

McCain's most memorable line from the past week was that Obama would provide the "second term of the Jimmy Carter presidency." He said that Obama's economic proposal would raise taxes on "Americans of every background."

To further gauge the potential impact of the economy in Indiana, an Alan Secrest Poll in the Republican-stronghold 3rd CD showed Preident Bush's job approval ratings at a "disastrous" 34 percent positive, 65 percent negative.

If McCain cannot elude the shadows of the Bush-Cheney Oil Presidency, the answer to whether Obama will be competitive in Indiana, even without Evan Bayh, is yes he can. ❖

Rating 6 Hoosiers in the '08 veepstakes

By **BRIAN A. HOWEY**

INDIANAPOLIS - We've counted six Hoosiers who have made one or more published veepstakes lists over the first six months of this year. Some names, like Gov. Mitch Daniels, make zero sense to us in practical application. Others like the rumored Obama-Lugar ticket seem far-fetched. Here's our current read on things, subject to vast change between now and convention season late this summer.

Democrats

Sen. Evan Bayh: As the Obama campaign pours over the maps and its strategy of putting red states into play, the conversation when it comes to Indiana's 11 Electoral College votes would almost certainly include Bayh. While he backed Hillary Clinton in the Indiana primary, he did so with supreme respect for Barack Obama. His political tentacles reach into Iowa and New Hampshire, where his own presidential campaign trained dozens of operatives and he established relations with many local legislators and other party officials. Some believe those alliances in New Hampshire helped Clinton win there. He certainly put her in play in Indiana. Without Bayh, there is no way Clinton would have won.

Bayh has run five general election races in Indiana, winning the first two in 1986 and 1988 by 8 and 6 percent, following by his gubernatorial re-elect at 25 percent, and his two Senate races at 29 and 24 percent. With the exception of his last Senate campaign, Bayh has had long coattails in Indiana, where Democrats were able to pick up additional Indiana House seats. He is squeaky clean on the ethics front. He is credible on military affairs, having served on the Armed Services Committee. Republicans might depict him as evading military service, but 1974 high school graduate, having lived through the Vietnam debacle, weren't inclined to serve in the U.S. military, particularly while it was cutting back. Bayh would also resonate with independent voters in neighboring states like Michigan and Ohio. Democratic blogger Alan Katz observed on May 7, "By helping Senator Clinton win Indiana's Democratic primary, Senator Bayh has created a new opportunity: running for vice president on an Obama-Bayh ticket. Most significantly, he's a proven vote getter in a red state who appeals to the working class voters Senator Obama has been losing to





Senator Clinton. His selection as a running mate by Senator Obama would be a clear signal to these voters that they would neither be ignored nor forgotten in an Obama administration. As an added bonus, turning to Senator Bayh to complete the Democratic ticket would be a magnanimous and potent gesture to the Clinton campaign. Senator Bayh was an early endorser of Senator Clinton. They are long-time friends and close allies. He campaigned tirelessly on her behalf in Indiana. An Obama-Bayh ticket would not be as unifying as an Obama-Clinton teaming, but it would still go far in binding the party together again after the long and sometimes vicious primary fight." Odds: 10 to 1.

Sen. Richard Lugar: First, Lugar is too old to be McCain's vice presidential nominee. McCain needs a younger running mate. Prior to the May primary, we were talking with a reporter at NPR and the subject of Lugar's relationship with Barack Obama came up. "You know about the rumors," the reporter said. No, what? "An Obama-Lugar ticket." Get out! Actually, there is some logic behind the thought. Obama has talked about ending the politics of usual in Washington. So what better way than to pick a Republican vice president? The last president from Illinois selected Andrew Johnson to help bind up the nation's wounds. Second, he and Lugar have a mutually warm relationship, to the point that of the five phone calls Lugar got on his birthday earlier this spring (his brother, Gov. Daniels, Bud Gohman and Rex Early) the fifth was from Obama on the campaign trail. There are some who believe that Obama needs an experienced Washington hand with considerable foreign exposure. Lugar fits all those bills. And Lugar has been discussed in the veepstakes going back to 1972. It would be the supreme irony that a Democrat would finally make the call. We think this is a highly unlikely scenario. As you can read in Jack Colwell's column (page 1) in today's edition, Lugar is committed to supporting McCain, though numerous Capitol Hill sources depict the Lugar-McCain relationship as frosty. It would also put him at crosshairs with Gov. Daniels' re-elect (though he and Obama really do feed off the same "change agent" energy). Third, he's a Republican. A loyal Republican. Lugar has repeatedly swatted away any notion of leaving the Senate, where he believes he can serve the public better. However, after reading all the Iraq War books by people like Bob Woodward ("State of Denial"), Thomas Ricks ("Fiasco"), and Michael Gordon ("Cobra II"), and finding Lugar's name barely mentioned despite his prescient warnings of Phase IV (as well as his alarm over the lack of a Bush-Cheney energy strategy), perhaps he should ponder an inside role in what we believe will be, perhaps, the most crucial four to eight years in shaping America's role in the 21st Century. On the same day - June 3 - that Obama secured the nomination, GM closed four auto plants and the airlines cut back their routes, suggesting a critical pivot point in American his-

tory. Obama reaching out to include a Republican on the ticket would send a vivid signal and Lugar would not only be palatable to many Democrats, but would top our list of potential Republicans. If we make bad decisions on top of the tragic ones we've already made this young century on war and energy, America will not be the sole super power in 2020 and we could be an empire in decline by 2050. The idea of having Lugar's voice steadily in a President Obama's ear is a credible one, though extremely, extremely unlikely. Odds: 100 to 1

Tim Roemer: The former six-term Northern Indiana congressman voluntarily left Congress, but not before sponsoring the 9/11 Commission legislation and then serving on that bipartisan panel. He was a strong proponent for U.S. intelligence reform. He was an early backer of Obama and campaigned extensively in the Indiana primary. Roemer is relatively young, Catholic, and brings intelligence, national security and education credentials that could benefit Obama. Roemer is well known in Northern Indiana, but much less so south of Kokomo, so he wouldn't have the degree of sway that Bayh would have when the "can he carry the state" calculation comes up. Many observers believe Roemer has an excellent chance at making an Obama cabinet. Odds 20 to 1

Lee Hamilton: Like Roemer, he's a former In-



Former Indiana congressman Tim Roemer (left) at an Obama rally in Fort Wayne on April 4. (HPI Photo by Brian A. Howey)

diana congressman and 9/11 commissioner. He would fit the "wise old man" bringing maturity to the 46-year-old Obama's ticket. Hamilton could put Indiana into play, particularly in the south, which largely rejected his candidacy in the Indiana primary with Hillary Clinton. Washington journalists like Lou Jacobson take an Obama-Hamilton seriously, but we think it's unlikely. 100 to 1.

HPI's Prediction: We see three names ahead of the Hoosiers on the list: Virginia Sen. James Webb, former Georgia Sen. Sam Nunn, and Missouri Sen. Claire McCaskill as our favorites. Webb would put Virginia in play and is a former secretary of the Navy, so he brings vivid national security credentials. His son also served in a combat role



in Iraq, which could temper McCain's strategy as painting Obama as lax on military service. Nunn heads in the Nuclear Threat Initiative and has played an integral role with Sen. Lugar on post-Soviet world security. Nunn would be in a position to strengthen Obama in the South. If Obama needs a female running mate to help bring Hillary's vast array of support from that gender, McCaskill was an earnest and articulate defender of Obama on the cable news networks during the fiercest days of his battle with Clinton. The fact that Missouri is a swing state that President Bush carried with 55 percent in 2004 makes her selection promising. If we had to bet, it would be Obama-Webb.

Republicans

Rep. Mike Pence: The Hoosier congressman is a leading conservative who has parted with McCain on key issues, such as McCain-Feingold campaign finance reform. The two shared an infamous moment together at the Sorja Market in Baghdad on April 1, 2007. After McCain became the presumptive nominee, Pence urged him to make clear to conservatives where he stood on fiscal and life issues. Pence could very well be on McCain's veep list, but the fact is, you have to go back to 1964 and the Goldwater-Miller ticket to find a House member making the final cut. Plus, the conservative split with McCain seems to have toned down substantially since February

Gov. Mitch Daniels: The governor has repeatedly said that 2008 would be his final political campaign. We first heard it the day before his 2007 re-election campaign kickoff. Actually, Daniels would make a great vice presidential candidate. But in doing so, he would leave the Indiana Republican Party in such a lurch that it might take a decade or so to dig out. Daniels would have to leave the gubernatorial ticket, which would all but cede the election to Jill Long Thompson. A McCain-Daniels ticket is a total pipe-dream. No odds.

HPI's Prediction: A month ago, we would have been comfortable predicting a McCain-Romney ticket. Mitt Romney could help McCain in the West, where Obama is expected to make a play for states like New Mexico and Colorado. However, after watching the powerful gender tide that almost secured the Democratic nomination for Hillary Clinton, McCain almost certainly will ponder a female running mate. Of the Republicans available, young, attractive Alaska Gov. Sarah Palin (an NRA member) is creating considerable buzz these days. Other top names include new Louisiana Gov. Bobby Jindal, Florida Gov. Charlie Crist, Minnesota Gov. Tim Pawlenty, and, heck, just for kicks Connecticut independent Sen. Joe Lieberman and New York City Mayor Michael Bloomberg (on both R & D lists). If we had to bet: McCain-Palin. At this point, we think the gender opportunity trumps geography. ❖

Oxley, Fernandez in talks with JLT, sources say; The preposterous ticket of Waterman-Jehl

Indiana Governor: Republican: Gov. Mitch Daniels. **Democrat:** Jill Long Thompson. **Libertarian:** Andy Horning. 2004 Results: Daniels 1,302,912, Kernan (D) 1,113,900, Gividen (L) 31,664. **2008 Outlook:** What a weird, weird week. While Gov. Daniels called off his trip to Japan and was almost (Bill) Clintonesque in his ability to feel the pain of Hoosier flood and tornado victims - captured vividly on dozens of TV newscasts - his opponents were either self-immolating or sedated.



While the Thompson campaign said they've already made the choice, we have informed and reliable sources who indicate she is currently in discussions with two prospective nominees: State Rep. Dennie Oxley II and former Bloomington Mayor John Fernandez. Fernandez told HPI on Monday, "That's not something we've talked about very much," when we asked him if he might be the nominee. He didn't give the Gen. Sherman speech, however, and we suspect the Thompson campaign has asked prospects to keep lips buttoned. Fernandez said he has two young kids and a "great gig" with First Capitol Group. Fernandez seemed to fit the profile that Thompson said on May 7 that she wants: a former Southern Indiana mayor who has experience in economic development issues. Sources say Oxley is weighing whether he wants to give up his House seat, move to Indianapolis, go without pay for six months, and the impact on his family (he, too, has young kids). Oxley is a former educator who now works with an engineering firm, which gives him



State Rep. Dennie Oxley II is reportedly soul-searching whether he should join Thompson on the Democratic ticket, informed and reliable sources tell HPI.



some tangible experience in what Thompson said was her top priority: economic development.

The campaign leaked the names of five lieutenant governor candidates, two (Mayor Jon Weinzapfel and John Gregg) quickly bowed out. One blog reported that Van Haften said he wasn't interested. Another name we've heard is New Albany Mayor Doug England, who just reassumed his office in January after serving two terms in the '90s.

Since Thompson's May 6 primary win, she has received only one campaign donation meeting or surpassing the \$10,000 reporting threshold: \$25,000 from the Democratic Governors Association. Our sources characterize it as a "keep the lights on" infusion of money. The Thompson campaign is also currently advertising for a field director, which seems extremely late to be lining up such a critical position. This has been mostly a wasted month for Thompson. She's had one press conference that received any coverage (with Chairman Dan Parker and other Dems in a show of "unity.")

Thompson is expected to reveal her LG choice June 16 or 17, nearly six weeks after her primary victory. This has wasted time that did little to create the perception of any momentum after her tiny 1.14 percent victory over Jim Schellinger (who ran, perhaps, the third worst campaign in modern Indiana history). Had she found an LG candidate, one would have thought the ticket would have been named, quickly fanning out to stoke up interest. But the Statehouse community rumor mill is that Thompson has had trouble finding a running mate who would accept the job. On top of all this, the JLT campaign released a Berenson Strategy Group Poll (May 20-22, 765 likely, +/-3.5 percent) that shows Daniels leading Thompson 46-39 percent. The Daniels campaign characterized it as a "push poll." The JLT campaign release noted, "While the initial ballot test shows Daniels with a seven point lead, the poll found that once Hoosier voters learned more about each candidate's background and policy positions, the race becomes a tie with 45 percent supporting each candidate." It's the first time in memory that a campaign released a poll showing the candidate trailing. Another poll, published by Indiana Legislative Insight (which refused to identify the pollster, though we believe it was conducted for the Indiana Casino Association) had Daniels leading 51-35 percent.



Former Bloomington Mayor John Fernandez has talked with Thompson about the LG nomination, and while he indicated he wouldn't run, he didn't do the Gen. Sherman thing and probably wasn't at liberty to discuss. (HPI Photo)

That is consistent with the April Howey-Gauge Poll, which had Daniels leading Thompson 55-36, percent and internal numbers from the governor's campaign.

Perhaps Thompson has a trump card up her sleeve. There is a coming fundraiser hosted by Sen. Bayh and former Gov. Joe Kernan. But she needs a credible running mate, a dazzling convention, and absolute evidence of a unifying Democratic Party. At this point, there is no evidence of any of that.

Let's deal with the Waterman-Jehl ticket. When HPI broke the news that State Sen. John Waterman might enter the race as an independent, it was worth covering because in a tight race even a kooky candidate like Waterman taking a sliver of the vote (1 to 2 percent) could have an impact. With Ron Paul voters and another potent little sliver wanting to repeal property taxes, some observers thought Waterman might inch into the 5 to 8 percent range. That would definitely be an impact candidacy. But when Waterman announced he was going to run with Glenna Jehl, any notion of credibility drained out of the effort. Jehl was campaign manager of the Matt Kelty for Fort Wayne Mayor campaign, arguably the WORST political campaign ever run on Hoosier soil. The only major campaign that even comes close to this disaster was Linley Pearson's 1992 gubernatorial bid that was a complete meltdown at the Republican Convention. And in that one, no one gave Pearson any chance of upsetting Gov. Evan Bayh. The Waterman-Jehl ticket was actually at the 2008 GOP convention, but hardly anyone noticed (or cared). WRTV's Norm Cox told us that after 14 years in the Senate, his station had no B-roll of Waterman because he never carried any significant legislation. Jehl and her husband, Steve, "loaned" Kelty \$10,000. Another \$140,000 was loaned to Kelty by Allen County Right to Life President Fred Rost. When all this was disclosed after Kelty upset Nelson Peters in the primary, it lead to a complete, utter fiasco that ultimately resulted in Kelty's nine-count grand jury indictment on campaign finance and perjury charges. Kelty went on to lose a race the GOP figured it had in the bag at the beginning of the year. Jehl's "management" of the Kelty campaign brought us such things as birthday cakes with outhouses, and a rescinded endorsement from U.S. Rep. Mark Souder. This is a nutball ticket concocted by Indianapolis attorney John R. Price, who apparently sees himself as the man behind the curtain. Waterman told the Sullivan Daily Times he will have the 33,000 signatures needed to get the ticket on the ballot today. If he has them, that will be the high-water market of this outhouse campaign. **Horse Race Status:** Leans Daniels

Indiana Legislative

SD13: State Rep. Marlin Stutzman defeated State Rep. Matt Bell, former Kosciusko County Auditor Sue Ann



Mitchell, and former legislator Brad Fox in the nomination caucus to replace State Sen. Robert Meeks. Stutzman won on the third ballot 37-23. It came after Meeks and Senate leadership pushed Bell. The Stutzman win is another indicator of cantankerous local GOP precinctmen telling their leaders to stick it when it comes to telling them what to do (similar to the attorney general race). Stutzman will face banker Fred Demske in the November election. "I think the fact that my district lies almost exclusively inside Senate District 13 is important because it means that I have already been working for a major portion of this area," Stutzman told the Fort Wayne Journal Gazette. "Forget the political think tanks. Elected officials just need to listen to their friends and neighbors to discover that Hoosier ingenuity works."

HD52: The House District 52 caucus will be at 6:30 p.m. June 23 at Wolcott Mills Elementary School, 108 E. Myers St., Wolcottville. State Rep. Marlin Stutzman, who was nominated in SD13, said he will not endorse or support any particular candidate as his possible replacement (Fort Wayne Journal Gazette). "I think there are some good people to choose from," Stutzman said. Noble County Councilman Les Alligood of Rome City said he will run in the caucus. He is completing his second four-year term on the council. If he won the House caucus, a spot would open on the county ballot. The former state police trooper is now a private investigator and bail bondsman. "I've always enjoyed participating in Republican Party government," said Alligood, who supports privatizing government service if it can save taxpayer dollars. LaGrange County Councilman Steve McKowen has also thrown in his name for consideration. He, like Alligood, is on the fall ballot for re-election to his county office. The 38-year-old small-business man owns a bakery and real estate/auction company in LaGrange and lives in Wolcottville. "I feel it's important to provide a choice for a strong voice for our government," McKowen said. "It's also imperative to create a positive business environment in the state and in northeast Indiana." Brad Fox of Rome City also is considering a run. He is a former state representative who served the area from 1980 to 1992. Other possible candidates who did not immediately return calls Wednesday include Kendallville City Councilman Regan Ford and LaGrange attorney Jeff James.

Indiana Congressional

3RD CD: Democrat: Michael Montagano. **Republican:** U.S. Rep, Mark Souder. **2006 Results:** Souder 95,421, Hayhurst (D) 80,357. **2008 Outlook:** A Cooper & Secrest Poll was leaked showing Souder with a 55-28 percent lead over Montagano. It was taken on April 24-27.) It showed Souder's fav/unfav at 46/46 percent. It also showed President Bush with an abysmal 35 percent ap-

proval rating in one of the most Republican House districts in the nation. Bush carried it in 2004 with 68 percent. HPI is watching the 3rd like we did in 2006, when Souder defeated Dr. Tom Hayhurst 54-46 percent. If it's in play next October, it will be a significant Democratic wave is in the making. In the 13 years he's been in Congress, Souder's personal wealth has expanded to include a small portfolio of stocks and certificates of deposit (Smith, Fort Wayne Journal Gazette). His cash or stock assets increased from less than \$15,000 in 1995 to nearly \$148,000 last year, according to an annual report all lawmakers must file. Aside from his \$165,200 federal salary, Souder, R-3rd, reported almost no other income last year. His Democratic opponent, Michael Montagano, has suspended his law career to campaign full time. He reported no income this year and about \$25,000 from his former law firm last year. Montagano said he and his wife, Bethany, are living on fees she receives as a museum consultant. **Horse Race Status:** Leans Souder

4TH CD: Democrat: Nels Ackerson. **Republican:** U.S. Rep. Steve Buyer. **2006 Results:** Buyer 111,057, Sanders (D) 66,986. **2008 Outlook:** Democrat: Nels Ackerson. Republican: U.S. Rep. Steve Buyer. 2006 Results: Buyer 111,057, Sanders (D) 66,986. 2008 Outlook: Former Indiana Democratic Party and Jim Schellinger for governor campaign communications director Jen Wagner has apparently joined the Ackerson campaign. Buyer Chief-of-Staff Mike Copher noted, "Recently we have noticed a distinct difference in tone of their campaign. It has been much more negative and not as much substance as his released prior to her coming on board. It is interesting that Nels would do this when he says he wants to change the tone in Washington. I am not sure how people and locals will react his communications coming from one of the most partisan flame throwers there is. A district that has such a high GOP base needs more finesse than an attack dog." **Horse Race Status:** LIKELY BUYER.

9TH CD: Democrat: U.S. Rep. Baron Hill. **Republican:** Mike Sodrel. **Libertarian:** Eric Schansberg. **2006 Results:** Hill 110,454, Sodrel 100,469, Schansberg 9,893. **2008 Outlook:** Sodrel took aim at U.S. Rep. Baron Hill's campaign financial backing on Monday. "In the 2006 election, Congressman Hill said we needed "change." He and Speaker Pelosi have produced change," Sodrel said. "A gallon of gas is up by about 70%, the budget deficit is up, taxes are up (and rising), consumer confidence is down, and the economy has slowed to a crawl. In 2006, he had a young man dressed up like a gas pump while calling for a debate on energy costs. Hill bought gasoline for constituents (with other peoples' money). He constantly criticized the high cost of fuel... he called it a crisis. And now he wants to change the subject."If you want to know how much "special interest" money went into a campaign go to www.opensecrets.org. **Horse Race Status:** LEANS Hill ❖



Viewing the tax revolution from Kokomo City Hall

By **BRIAN A. HOWEY**

INDIANAPOLIS - Let's talk about garbage. Lake County commissioners hope to turn garbage into ethanol. In Kokomo, Mayor Greg Goodnight hopes to save at least 25 percent, and possibly much more, by having residential garbage pickup on one side of the street. Residents are being asked to take their garbage to one side of the street, instead of just in front of their homes. It keeps the packers from running routes on the same street twice.

"We think we can go down to three or four routes, instead of five," said Kokomo Mayor Greg Goodnight, who was first elected last November. "We won't cut it in half, but at least 25 percent. We decided to do that instead of install a trash fee." At nearby Logansport, Mayor Mike Fincher opted to institute new trash fees.

These are the tangible results from the property tax reforms proposed by Gov. Mitch Daniels and passed by the Indiana General Assembly. With the property tax caps, many cities are faced with 5 to 10 percent in budget reductions this year and more in the future. Kokomo was looking at about 5.5 to 6 percent, or \$2.2 million over two years.

Before passage, there were mayors and commissioners who stated doom and gloom scenarios for police and fire layoffs. The closest to that we've seen is Muncie Mayor Sharon McShurley, who before taking the stage with Gov. Daniels at the Indiana Republican Convention last week, floated the idea of privatized or volunteer fire protection for her city. She drew a sharp rebuke from her city council president, but what was unmistakable is that municipalities are thinking outside the box, the firehouse and the garbage packer. East Chicago and Hammond announced they would keep their city jails open. Lake County announced yet another hiring freeze. East Chicago, perhaps Indiana's most larded patronage redoubt, pink-slipped 75 employees, though no cops nor firefighters.

There is also the political fallout, possibly for Gov. Daniels, when counties and cities begin hashing out their annual budgets in August and September. HPI speculated about the potential for "chaos," but so far there has been

little hysteria. And this despite some considerable angst. Gary Mayor Rudy Clay met with the governor's staff on Monday, preparing the Steel City to emerge as one of the first "distressed units."

Daniels warned distressed units not to come to the yet-to-be appointed commission believing it will simply be business as usual even if it were to draw some kind of cap exemption. Clay appears to have grasped the concept as he looks at caps wiping away a third of his operating budget. "We placed some issues on the table that they were not familiar with," Clay told the Post-Tribune. "We're going to do some creative things. A lot of creative things. We're not beyond budget cuts."

Those kinds of comments would be music to the governor's ears. The Lake County Solid Waste Management District is expected to approve 20-year contracts on June 19 with Genahol-Powers 1 and Indiana Ethanol Power, two companies looking to convert Lake County's garbage into ethanol, the Post-Tribune reported.

Kokomo Mayor Goodnight said that the council laid some of the groundwork last year when it passed the Local Option Income Tax that Daniels, Speaker Pat Bauer and Senate President David Long urged. It turned over city parks outside some of the unit limits to townships. It is in talks with Howard County about combining the two police/fire dispatch centers.

He has trimmed the city work force through attrition and not hiring assistant parks and personnel department heads. There is a hiring freeze and flat-lined salaries for himself and department heads. Kokomo is reviewing its cushy health and benefits package. Instead of 105 cops, there are now 103. He's worked with the FOP, firefighters and AFSCME unions "to try and educate them. Their leadership understand the challenge."

Of the one pass instead of two by the garbage packers on each street, Goodnight said there was overwhelming compliance with the first 600 to 800 homes reached by packers when the strategy began on Monday. Letters will be sent to those not complying. He will institute a curbside recycling program and ask residents to separate their garbage. He also plans to annex about 15,000 new residents in unincorporated neighborhoods. There has been a negative public reaction. but at a meeting in the Timber Valley subdivision with about 150 homes, a hearing was held and 150 non-residents were barred from entering. He said talks with 60 to 70 residents started with "a very vocal



Newly-elected Kokomo Mayor Greg Goodnight has a front porch chat. He's asking residents to put their garbage on one side of the street to reduce routes. (Goodnight campaign photo)



minority, but after the meeting, better than half were with us."

Asked to comment on the overall context of the property tax revolution and Main Street results, Goodnight said, "It's not the end of the world. We had the foresight with the city and county working to pass the local option income tax. That softened the blow. We may have to do some of those things like working with unions to not cut services, not cut personnel. I don't know what will happen after the negotiation process. We could have some of those layoffs."

The Mitch & Jill Twins

By **MORTON J. MARCUS**

INDIANAPOLIS - Last night I had a stressful dream. Instead of being the well-integrated personality that I am, in my dream I am twins. One twin is an advisor on economic matters for Governor Mitch Daniels and the other serves in the same capacity for challenger Jill Long-Thompson. Each twin plows through economic data. He spins statistics that make the favored candidate's arguments look



Morton Marcus
Column

good. The twin for Mitch argues how well Indiana's economy is performing; the twin working for Jill makes sure our state's economy is seen in the worst possible light. In the dream, the latest data for Gross Domestic Product for Indiana (GDP-IN) are released and the twins rush to download them and start the spin. GDP-IN is the value of all goods and services produced in the state in a particular year; the

latest data are for 2007. They measure the magnitude of economic activity in the state and tell us what our efforts are worth to the rest of the U.S. and the world.

Jill's twin finds "Indiana's GDP grew by only 0.3% in 2007. This very slow growth put us in sole possession of 44th place among the fifty states. The U.S. growth rate was two percent, nearly seven times faster than Indiana."

Mitch's twin returns that "the Great Lake states (Indiana, Illinois, Michigan, Ohio and Wisconsin) came in dead last among the nation's eight regions. The regional growth rate was 0.5%, just a whisker ahead of Indiana's 0.3%. We shouldn't believe that we can separate ourselves from the problems we share with our neighbors."

This opening exchange sets the stage for the remainder of the dream. My two selves are now playing ping-pong. Jill's twin hits a forceful shot. "We acknowledge that Indiana's problems have been long term, but there is no evidence that things are getting better. From 1997 to 2002, Indiana's GDP grew at an average annual

Goodnight is a Democrat and a union guy himself. But he brought in a controller and personnel director from the private sector. "What I've figured out in this job in the first month is if I do nothing, it's the easiest job around. But try and do what's right ... it's tougher."

To be a successful Hoosier mayor in this climate, you need to be an innovator, a negotiator, preaching logic, and stewardship, all with a penchant for compromise. And it doesn't hurt if you can think outside the box, outside the garbage truck. Some cities will get it and prosper. Those that don't will wither. ❖

rate of 2.16% (31st in the nation). In the past five years, 2002 to 2007, Indiana's annual growth rate was cut in half and slipped to 1.08% (48th place).

"Typical of the nay-sayers," says Mitch's twin. "You fail to see Indiana's remarkable performance against terrible odds. During both of those five year intervals, when Democrats were in control almost all of those years, Indiana out-performed the five Great Lake states. You need to recognize that Indiana, while weak, remains a positive force in a troubled region."

Suddenly, as will happen in dreams, the match shifts to a tennis court. The twin in Jill's camp serves an ace: "Indiana ranked 44th in the nation in acceleration of growth between those two periods, 1997 to 2002 and 2002 to 2007. Alternatively, we slowed down by 1.1% while the U.S. decelerated by just 0.2%. When will someone put the breaks on this severe downhill slide?"

Now serving, the twin working with Mitch burns the court with, "Again, you miss the point. Look at the share of GDP produced in the five Great Lake states: 16.6% in 1997 and 14.2% in 2007. That doesn't sound like much of a change, but the 2.4% loss of the Great Lakes exceeds the gains of the Southeastern, Rocky Mountain, and Far West regions combined.

"The economy of our extended region, from Pennsylvania to Missouri, from Wisconsin to Kentucky is the weakest in the U.S. That explains why any Indiana governor celebrates even the smallest achievements. We are battling for survival in an economic whirlpool."

Jill's twin sends a lob deep into Mitch's court. "Should we be comparing ourselves to other places that are losers? Maybe we should think in terms of success and formulate plans that separate us from the problems of our neighbors. That's what we'll do."

Mitch's twin sends back a blistering shot. "That's what we have been doing, if you had paid attention."

I couldn't take any more truth and made myself wake up. ❖

Mr. Marcus is an independent economist formerly with IU's Kelley School of Business.



Sylvia Smith, Fort Wayne Journal Gazette

- Sylvia Smith, Fort Wayne Journal Gazette: Is the Dick Cheney model of the vice presidency something other presidents should adopt? I don't mean a No. 2 who knows how to make a joke about incest in West Virginia and then laughingly remarks that you can't say those sorts of things at a microphone in front of dozens of journalists and TV cameras if you're running for re-election. (Duh.) The model I'm referring to is the one of a vice president who makes it clear from the outset that he or she has no political ambitions beyond the end of the term or two that the president will be in the White House. Cheney described it this way last week: "From my perspective, I had an obligation – and I think it's worked well – to not be consumed with trying to use the job in order to advance my own political interests. That my people had to look at what advice I gave based upon what I thought was best to do, rather than how it was going to affect the Iowa caucuses, for example." There are scant rules for the vice presidency. The Constitution, for instance, mentions the office a handful of times: to say the vice president is also the president of the Senate (without a vote except to break ties); to say the Senate president pro tem presides when the vice president is absent; to say the vice president is elected with the president and steps in if the president dies, is removed or is incapacitated; and to say the vice president can be impeached. Last year Dan Quayle told the Washington Post of his conversation with Cheney before inauguration day 2001: "I said, 'Dick, you know, you're going to be doing a lot of this international traveling, you're going to be doing all this political fundraising . . . you'll be going to the funerals.' I mean, this is what vice presidents do. I said, 'We've all done it.'" Cheney "got that little smile," Quayle told the Post and quoted Cheney's reply: "I have a different understanding with the president." Quayle said that agreement was that Cheney would be surrogate chief of staff. The Cheney-style veep provides a kind of freedom for everyone: The president, the vice president and their staffs. As John McCain and Barack Obama choose their running mates, the public will compare – rightly, in my view – those choices to the current occupant of the vice presidency. Chances are, the person who moves into the mansion on the grounds of the Naval Observatory next January (where the vice president's home is located) will not be asked to or inclined to follow the Cheney model. ❖

Gary Gerard, Warsaw Times-Union: Well then, it appears Barack Obama will be the nominee for the Democrats and will run against John McCain in the general election this November. For months now, I've listened to Obama talk about change. But will the most liberal member of the United States Senate really bring us change? From

what I've heard, he wants to bring us a pile of budget-busting new programs, from health care to education and beyond. And how to pay for all this? Well, first, we need to eliminate some of those horrible tax cuts. That's not change. That's what every liberal politician since the New Deal has done. Show me the change. ❖

Mark Bennett, Terre Haute Tribune-

Star: America changed. For the past year, those questions got beaten around — "Is the country ready for a woman president?" and "Is the country ready for a black president?" Unless 21st-century Americans reject the foundations this nation rests upon, particularly the belief that we're all created equal, then of course the country is "ready." The historic primary season proved that a woman, Hillary Clinton, and a black man, Barack Obama, could successfully pursue a major-party nomination for president. When the primaries ended last week, Obama had edged Clinton as the Democratic Party's presumptive nominee. Their duel attracted record voter turnouts. Many of those millions were simply "ready" for Barack Obama or Hillary Clinton to become president. This fall, the question should be, "Is the country ready for Obama or Republican John McCain to be president?" Is the nation ready for Obama's plan to redeploy U.S. troops out of Iraq and strengthen forces in Afghanistan, or McCain's plan to keep the U.S. military in Iraq until the Iraqis can secure their land by themselves? Is the nation ready for McCain's or Obama's economic proposals? Which guy has the best chance of steering the U.S. away from its foreign oil dependency? Such important questions make "Is the country ready for a black president?" seem so ridiculously un-American. ❖

Mike Smith, Associated Press: Gov. Mitch Daniels ended his keynote address at the Republican State Convention on a positive note last week by, well, urging the party faithful to stay positive during the march to November. "Let's go win big and let's do it the right way, just like the last time," he said to about 1,800 state GOP delegates. "Let's be positive, no disparagement of anybody's character or motives." But did Daniels deliver that message having already taken the gloves off just minutes before in his speech? This is what Daniels had to say about state Democrats before asking fellow Republicans to take the high road during the general election campaign season: "Now our opponents in this state are good people," he said. "They are good parents, they are good neighbors, they are Hoosiers like us, but they are not as a group good at governing Indiana. They were not in those 16 wilderness years good for this state." ❖





Jehl calls candidacy a 'trial balloon'

FORT WAYNE - Glenna Jehl said she ran into central Indiana attorney John Price at the state Republican convention several weeks ago, and he asked whether she would be interested in helping to challenge Daniels and Long Thompson. Price represents several citizen groups opposing property taxes (**Fort Wayne Journal Gazette**). Jehl agreed to put her name on the petitions so they could be circulated to see whether there is enough support for a third-party candidate. "I consider it a trial balloon right now," she said, noting that she also supports property tax change but that she and Waterman have not finalized a full platform. Jehl is a graduate of the University of Notre Dame and a former homemaker who now helps sell commercial real estate in a business with her husband.



Bush approves 8 counties for aid

WASHINGTON - Hoosiers will be able to begin seeking government assistance to rebuild their lives even before the last of this week's floodwaters have dried up (**Indianapolis Star**). Gov. Mitch Daniels' office said late Wednesday that it learned President Bush had approved the first eight counties, including Marion, for federal assistance for damage from severe weather that began May 30. "Now, that's fast action. I hope it is indicative of how fast the rest of this process can move," Daniels said in a statement. In addition to Marion, counties covered by the president's approval Wednesday are Bartholomew, Hancock, Johnson,

Monroe, Morgan, Vermillion and Vigo.

Daniels coordinating relief effort

EVANSVILLE - State government swung into action as a record-shattering flood poured into Southwestern Indiana this week (Evansville Courier & Press). The most visible examples are 1,300 Indiana National Guard soldiers and airmen helping sandbag river communities such as Elnora and Hazleton. At least 11 other state government agencies, or nearly 400 people in addition to the Guard, are directly involved in flood rescue, relief and protection. Those include Department of Natural Resources conservation officers in boats who help evacuations, and Department of Correction prisoners who lay sandbags from the Department of Transportation stockpile. Other agencies are posting advice to flood victims on how to obtain relief, and that information is all collected on a state Web site, www.in.gov/gov/3725.htm. Directly supervising the relief effort is Gov. Mitch Daniels, who on Monday canceled a long-planned economic development trip to Japan so he could remain in Indiana. While inspecting storm damage Wednesday in Hope, Daniels said he got a phone call from President Bush, who is in Italy for a diplomatic conference. Bush called "simply to inquire about how Hoosiers were getting through this, and to ask me — as I have asked local officials — was his level of government doing all it can to support us here and to cooperate with us? I told him, 'So far, so good,'" Daniels said.

Feltman carries on without Daniels in Japan

TOKYO - With Gov. Mitch Daniels' travel plans redirected by wretched weekend weather, the task of leading Indiana's fourth Japanese trade mission in as many years fell to

an experienced pinch hitter (**Times of Northwest Indiana**). "The governor had planned to be here, and then nature intervened. But I'm happy to carry on," Indiana Commerce Secretary Nathan Feltman said Wednesday morning from Tokyo. "So far I've already met with companies that collectively represent over 10,000 jobs in Indiana, and by the end of the week I'll have met with companies that represent over 20,000 jobs in Indiana." Feltman, who also serves as CEO of the Indiana Economic Development Corp., finished a round of phone interviews with Indiana reporters just before the clock struck 11 p.m. in Japan's capital city. Earlier in the day, he visited with top executives of Nippon Steel Corp. The Japanese company, a producer of galvanized steel products, recently reached a new partnership with ArcelorMittal that is expected to create 100 Nippon jobs in central Indiana and preserve 400 Mittal positions in East Chicago and Burns Harbor. Nippon's plan to invest \$240 million at its I/N Kote facility in New Carlisle drew \$4.9 million in state incentives.

Sony to expand at Terre Haute

TERRE HAUTE - Sony Corp. will create 85 new jobs while investing \$113 million to expand the nearly 1 million-square-foot Blu-ray disc manufacturing Terre Haute plant, said Indiana Secretary of Commerce Nathan Feltman today (**Terre Haute Tribune-Star**). Feltman said the state inked a deal at 11 a.m. in Toyko, which is 13 hours ahead of Terre Haute. It was part of a five-day Japanese trade mission. Gov. Mitch Daniels did not make the trip because of concerns of flooding and storm damage in Indiana. The Indiana Economic Development Corp. offered Sony DADC up to \$655,000 in training grants and up to \$975,000 in performance based tax credits.