



Pence gives Bayh brief reprieve

By **BRIAN A. HOWEY**

INDIANAPOLIS - For six scintillating days, Indiana Republicans envisioned the first dream Senate matchup in a generation - Mike Pence challenging Evan Bayh - that was finally dashed late Tuesday morning. Allen County Republican Chairman Steve Shine said a Pence-Bayh race would have been the "Super Bowl" of Indiana politics.

Now, the GOP is faced with three relative unknowns, possibly Secretary of State Todd Rokita and one - Carmel plumber Richard Behney - actually talking about an armed insurrection aimed at the federal government. Neither State Sen. Marlin Stutzman nor Winchester financier Don Bates Jr. is well known. Former Congressman John Hostettler is considered far to the right of the mainstream.

Rokita told HPI this morning, "It's got to be a quick decision because of the signature process. Part of the decision centers on the logistics of the signature process."

Asked if a Rokita candidacy is likely, he responded, "Not necessarily. I've got a growing family. But if we do go, it won't be against the guys already running. We'll be running against the irresponsible leadership in Washington."



U.S. Sen. Evan Bayh won't get a marquee matchup with Rep. Mike Pence, but his Republican opponents could include SOS Rokita and Tea Party activist Richard Behney (below) who has threatened an armed struggle. (HPI Photos by A. Walker Shaw)



The unsettled nature of the GOP after Pence's announcement is good news for Sen. Bayh, who acknowledged on MSNBC's Morning Joe on Tuesday that the political climate is volatile. "This is a tough time for any

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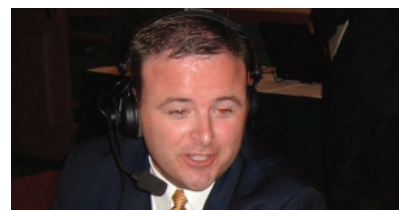
Campaign finance ruling unlikely to affect 2010 races

By **MARK SCHOEFF JR.**

WASHINGTON - Last week the Supreme Court handed down a ruling that will likely have a profound effect on campaign financing - but companies won't necessarily take advantage of the decision and jump into races this year, according to Hoosier political leaders and experts.



On Jan. 19, the court held the corporations could spend an unlimited amount of their own money to finance independent expenditures in support or opposition to candidates for office. The



'Will our candidates have to go out on the campaign trail wearing kevlar vests?'

- INDIANA DEMOCRATIC CHAIRMAN DAN PARKER



HOWEY POLITICS INDIANA

is a nonpartisan newsletter based in Indianapolis and published by NewsLink Inc. It was founded in 1994 in Fort Wayne.

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Subscriptions:

\$350 annually HPI Weekly
\$550 annually HPI Weekly & HPI Daily Wire
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decision, based on a case brought by a group that sponsored a documentary critical of Hillary Rodham Clinton, also would loosen spending constraints on unions.

The court's action overturned a 2002 campaign finance law and other statutes that had set parameters for company involvement in elections - limiting their direct impact to the activities of political action committees and political donations made by individual employees.

The court said that such restrictions circumscribed free speech rights. Critics of the decision said that it will lead to a flood of corporate spending that undermines campaigns.

But companies are not likely to turn the valves of their political spigots wide open in this cycle, according to Hoosier observers.

"It would probably be the 2012 election before companies figure out how to make this work," said Craig Dunn, chairman of the Howard County Republican Party. "I would not expect this huge flow of money from corporations into the political process. Maybe down the road but not this time around."

Dan Parker, chairman of the Indiana Democratic Party, opposes the Supreme Court ruling but doesn't expect to see Hoosier companies immediately wading into the political fray.

"This year may be wait and see," Parker said. "I've heard that corporations may be a little skittish about this."

So far, that is the approach being taken by three Hoosier companies with huge stakes in the outcome of health care reform. Spokesmen for Eli Lilly, Anthem and Zimmer Inc. all told HPI that their firms were reviewing the Supreme Court decision and are uncertain what impact it will have on their political activity.

Some candidates, though, hope that corporate participation will give them a boost. An aide for one of the Republican challengers to Rep.

Dan Burton in the 5th CD primary said that Lilly now has more latitude to go after Burton. Burton has been a political nemesis for the company because of his effort to ban a vaccine chemical used by Lilly that Burton links to autism.

"This gives (Lilly) an opportunity to play in a big way for someone else," said the aide, who did not want to be identified. "There is a big, powerful, well-respected firm in town that does not want to see Dan Burton reelected to Congress. Even chipping away a few percentage points would give challengers room to grow."

But there are risks to such a strategy, Dunn said. Burton could portray himself as fighting on behalf of constituents against a big pharmaceutical company, an appeal that might find support among those facing high medical costs.

The Hoosier race that is most likely to see the effects of the Supreme Court campaign finance ruling is the 9th CD, according to Chris Sautter, a Democratic consultant and HPI columnist. Sautter doesn't foresee companies getting directly involved. But groups like the U.S. Chamber of Commerce, the National Rifle Association and the Club for Growth that represent them could be active in what will likely be Indiana's most competitive contest.

In 2004, opponents were able to put incumbent Democratic Rep. Baron Hill on the defensive early in the cycle with television ads funded by the Republican Party, Sautter said.

"Now with the availability of additional independent money, Republicans and their allies will be able to start even earlier," said Sautter, who is an adjunct professor at American University. "We should expect below the radar communication projects and early negative paid media attacks. It's possible that some groups could also take on Evan Bayh early to determine whether he is vulnerable to second-tier candidate challenges."



It's all part of what Sautter calls a "whole new world in campaign finance" where "corporations that want to influence this year's elections will have little to lose."

Except, maybe, consumers and clients who are offended by their political stances. That may become the primary reason why companies hold their fire, Parker said.

"You're getting heavily involved in partisan politics," Parker said. "Does that affect your bottom line? Do you drive away potential customers?"

Big corporations also could take heat from their

investors over their political activity, Dunn said.

"Share owners will not be unanimous in their view of...which candidate would best represent the financial interests of the that corporation," Dunn said.

Dunn does not oppose the Supreme Court decision, but does want to see it coupled with rigorous disclosure of corporate - and union - political moves.

"I'm a 100 percent advocate for transparency," Dunn said. "When I vote for a candidate, I want to know who's in his pocket." ❖

A lecture from the President

By **BRIAN A. HOWEY**

INDIANAPOLIS - Barack Obama is no James Buchanan.

President Obama presented his first State of the Union address Wednesday night saying the nation had weathered the "worst of the storm" and vowed not to "quit." The combat troops will be out of Iraq by August and he's cut taxes. While he put off the subject of health care for 25 minutes, he directly confronted the divisive politics that have polarized the nation.

"I'm speaking of both parties now," Obama said. "Washington may think that saying anything about the other side, no matter how false, no matter how malicious, is just part of the game. But it's precisely such politics that has stopped either party from helping the American people. Worse yet -- worse yet, it's sowing further division among our citizens, further distrust in our government."

Earlier, Obama noted that Americans not only distrust government, but the news media, big corporations and Wall Street.

"I campaigned on the promise of change, change we can believe in, the slogan went," Obama said. "And right now, I know there are many Americans who aren't sure if they still believe we can change, or that I can deliver it. But remember this: I never suggested that change would be easy or that I could do it alone. Democracy in a nation of 300 million people can be noisy and messy and complicated. And when you try to do big things and make big changes, it stirs passions and controversy. That's just how it is."

Obama explained, "Those of us in public office can respond to this reality by playing it safe and avoid telling hard truths and pointing fingers. We can do what's necessary to keep our poll numbers high and get through the next election instead of doing what's best for the next generation. But I also know this: If people had made that

decision 50 years ago or 100 years ago or 200 years ago, we wouldn't be here tonight. The only reason we are here is because generations of Americans were unafraid to do what was hard, to do what was needed even when success was uncertain, to do what it took to keep the dream of this nation alive for their children and their grandchildren."

The president seemed to scold both parties. "To Democrats, I would remind you that we still have the largest majority in decades and the people expect us to solve problems, not run for the hills."

As for Republicans, Obama said, "And if the Republican leadership is going to insist that 60 votes in the Senate are required to do any business at all in this town, a supermajority, then the responsibility to govern is now yours, as well. Just saying no to everything may be good short-term politics, but it's not leadership. We were sent here to serve our citizens, not our ambitions."

Republican reaction was, of course, negative and all zoomed in on the debt. "The president simply adjusted his rhetoric in an uncandid attempt to sell his failed agenda of more spending, more taxes and more debt. Not only does this defy the will of the vast majority of Americans, but it demeans us all," said U.S. Rep. Dan Burton, himself a target of the anti-incumbency fervor sweeping the country.

"I hope that tonight's address is the beginning of a new direction for Washington," said Sen. Dick Lugar. "It is obvious to every American outside the Beltway that our fiscal future is in crisis. Yet under this administration, and this Congress, we see record spending, record deficits and record debt. For the sake of our children's future, tonight must be the night we start to get our fiscal house in order."

And U.S. Rep. Mike Pence explained, "We must immediately begin to make the tough and common-sense decisions that will rein in runaway federal spending and that will help put people back to work. While we may disagree on many areas of public policy, House Republicans are ready to work with the president on the challenges facing our country." ❖





incumbent," Bayh said. "People are mad at Democrats, they're mad at Republicans. They are just angry at the situation."

The potential brush with Pence has placed Bayh in his caution mode. On the health reforms, Bayh told the New York Times that using budget reconciliation tactics "would destroy the opportunity, if there is one, for any bipartisan cooperation the rest of this year on anything else." With Bayh and U.S. Sen. Blanche Lincoln of Arkansas both facing potentially tough reelection battles, the health reforms are in precarious condition.

Pence would have brought a national profile to the Senate race in a state that heard his voice over the radio waves from 1993 to 2000.

For his part, Pence saw winning the U.S. House as his historical calling. "I am not going to leave my post when the fate of the House hangs in the balance," Pence said rhetorically, though on Sept. 11, 2001, he ignored calls to evacuate the U.S. Capitol as Flight 93 was barreling toward it above the Pennsylvania countryside.

"My place is here," he said. "in that fight, with the brave men and women who will be winning that victory for the American people. I believe that if we run that race with conviction and endurance, we can win back the Congress for the common sense and the common values of the American people, turn this tide of big government back and set the stage for a boundless American future."

For Pence, the political rewards and drawbacks were literally double-edged swords. Thirty years ago an obscure congressman named Dan Quayle filled a void that Gov. Doc Bowen left, defeated Sen. Birch Bayh, and that eventually took him to the American vice presidency eight years later. For Barack Obama, shelf life in the Senate before the presidency was just two years. A Pence defeat of Sen. Evan Bayh would have made him the giant killer of this generation and he could have used the momentum to wage a campaign for the White House in 2012.

Home is where the heart is

The Pence decision may have revealed that his heart is truly in the House, where he is potentially two Republican heartbeats away from becoming Speaker. His position in the Republican Conference carries far more heft

than that of a backbench senator. The fact that Minority Leader John Boehner and Eric Cantor - the two ranking Republicans above him - are relatively young men did not appear to be an aggravating circumstance.

But despite what looks to be a gathering Republican year, Pence also had to take into account the legendary political acumen of Sen. Bayh, who led the party out of the wilderness in 1986 and 1988, reclaimed his father's Senate seat in 1998, then fashioned a career in the upper chamber as a fiscal hawk while keeping an eye on the White House. The various bailouts and record spending cast Pence and Bayh in parallel roles inside their parties. Each warned that the spending spree was unsustainable.

Just hours before Pence's announcement, Bayh praised President Obama on Morning Joe for his proposed three-year spending freeze.

"It was a good move," Bayh said. "It was a sound move and a lot of people around the country will say it's about time. We can no longer spend the money we no longer have. The President is about to correct that. Congress needs adult supervision; the President is providing that. I say Hallelujah."

Host Joe Scarborough repeatedly praised Bayh for being one of the few Democrats over the past several years to address federal spending. Scarborough and co-host Mika Brezinski noted that Bayh often made such calls and referenced the large volume of archived material they have to prove it.

Indiana Democratic Chairman Dan Parker, who is managing Bayh's re-election bid, explained, "Evan Bayh has been a leader on fiscal issues in the Senate for many, many years." He said the campaign will begin an extensive TV ad buy next month, saying that scripts and shooting times are being scheduled. Bayh also has a \$13 million war chest that will be implemented in thorough fashion.

"The position of Evan Bayh is similar to where Mitch Daniels was in 2008," Parker said. He questioned the Rasmussen Reports poll that showed Sen. Stutzman had 57 percent name ID. "Even if you take those numbers at face value, it's still before Evan Bayh has run a campaign," he said.

And Bayh campaigns have been juggernauts since



V14 N46 Weekly Briefing on Indiana Politics Thursday, July 30, 2009

Is Sen. Bayh 'invincible' in 2010?

Senator a heavy favorite, but chinks and a credible opponent could shift race

By BRIAN A. HOWEY

INDIANAPOLIS - When it comes to looking at the "invincibility" element in U.S. Sen. Evan Bayh's 2010 re-election campaign, it is worth a journey back through HoweY Politics Indiana archives.

In the July 10, 2003, edition of HoweY Politics, Johnson County Council President Brent Waltz was preparing his challenge to Senate Finance Chairman Larry Borst. "At first glance it would be easy to dismiss Waltz as a freshman county official who, as one long-time Republican strategist put it, is about to 'commit political suicide.' But an unprecedented political crisis is unfolding and the tentative, energetic Waltz is positioning himself in what gubernatorial candidate Mitch



Daniels might call the ultimate 'china breaker.' It is Waltz who has produced a stunning political indictment on the status quo"

On Jan. 12,

2006 in my weekly newspaper column, before anyone had even heard the name Greg Walker, I wrote of Senate President Bob Gorton and the growing health insurance for life scheme: "He's lucky in that he doesn't appear to have an opponent." Within days, Walker emerged as a Republican primary challenger with virtually no one (other than HP) giving him a chance.

And in the Aug. 9, 2007, edition of HoweY Politics Indiana, our analysis after allies of Mayor Bart Peterson

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It's the economy, Mr. President

By BRIAN A. HOWEY

NASHVILLE, Ind. - As a candidate, President Barack Obama invoked the name of U.S. Sen. Dick Lugar in important speeches, including his 2007 campaign kickoff address at Springfield and his final debate with John McCain when he described Lugar as one who helped "shaped my ideas and who will be surpassing me in the White House." He spoke of Lugar in at least two campaign TV ads. And there was evidence of Lugar's influence when Obama and Defense Secretary Robert Gates tapped Kenneth A. Myers III to



"When you're a White Sox fan and know the guy that did it, it makes it even more fun."

- PRESIDENT OBAMA, after calling Chicago White Sox pitcher Mark Buehrle following his perfect game against Tampa Bay Rays



the first two over Rob Bowen and John Mutz in 1986 and 1988, when he won by 5 percentage points. His second gubernatorial and his two Senate races all were 60-plus percent landslides. "We are not taking anything for granted," Parker vowed.

Lock & Load

With Pence out of the race, Republicans will have problems, if not potential. The most jarring sign of the times was Richard Behney's talk of armed insurrection if incumbents aren't ousted in November.

Behney suggested in Evansville last week that an armed insurrection could challenge the U.S. government if there aren't "new faces" elected to Congress in 2010. Speaking before a Patriot group in Evansville last week, Behney talked about armed American revolutionaries standing up to the British at Lexington and Concord. "We don't want to do that yet," Behney said. "We have one last opportunity and I believe that 2010 is it and we can do it with our vote. Whether it's my face or not, I pray to God we see new faces. If we don't see new faces, I'm cleaning my guns and getting ready for the big show. I'm serious about that. None of us want to go that far yet."

It was a new kind of inflammatory rhetoric for an Indiana congressional race. "Will Evan Bayh need to campaign in a flak jacket?" Parker asked. "Will our candidates in public life have to wear kevlar vests?"

Indiana Republican Chairman J. Murray Clark reacted to Behney's statement by saying, "I can't support that type of statement. My understanding is he's one of the Tea Party activists. It would be a real mistake for me to oppose the Tea Party movement despite this gentleman's statement. The irony is that you do your own cause harm with statements like that. Almost all of the Tea Party people I've met aren't out of the mainstream. They are frustrated and they are newcomers."

Democrats are preparing to drive a wedge between Tea Party radicals like Behney and the GOP. U.S. Sen. Robert Menendez of New Jersey and his staff distributed a memo Tuesday advising Democratic campaign managers to frame their opponents early and to drive a wedge between moderate voters and Tea Party-style conservatives. "Given the pressure Republican candidates feel



The GOP Senate field includes (from top) Don Bates Jr., Sen. Marline Stutzman, former congressman John Hostettler and possibly Secretary of State Todd Rokita.

from the extreme right in their party, there is a critical, yet time-sensitive, opportunity for Democratic candidates," the DSCC writes. "We have a finite window when Republican candidates will feel susceptible to the extremists in their party. Given the urgent nature of this dynamic, we suggest an aggressive effort to get your opponents on the record."

Of the remaining Republican field, Hostettler was closest to Bayh in the Rasmussen Reports poll, trailing 44-41 percent.

A Hostettler matchup, would be a test both financially and thematically for Republicans. Hostettler never raised much money while in Congress (rejecting PAC money) and the RNCC was aggravated repeatedly for having to step in. In 2006, Hostettler spent much of his time hammering away on the immigration issue in August and September with more than a dozen town hall meetings, before losing interest in his own campaign on the way to a landslide loss to U.S. Rep. Brad Ellsworth. In 2008, President Obama carried more than 70 percent of the Hoosier Latino vote, the fastest growing voting bloc in the state.

Rokita brings a statewide presence and the highest name ID to the race along with two wins. He has vivid contacts with clerks in 92 counties. Hostettler has had more exposure than the rest of the field and that will be Stutzman's and Bates' biggest hurdles to, as Sen. Dick Lugar would say, "become famous." Their finance reports due at the end of this month could go a long way in determining whether either will have legs to take on the regional and evangelical support that Hostettler will count on.

When Dan Dumezich was pondering the race, his strategy counted on \$8 million to buy enough points and build a grassroots campaign to challenge Bayh. At this point, none of the Republican con-

tenders are likely to bring in that kind of money.

Whoever wins the GOP nomination will then be faced with the daunting task of wooing independents and moderate Republicans who have been turned off by President Obama and have long supported Evan Bayh. ❖



Clinton, Palin, opened political doors for women

By **BEN FISHER**

INDIANAPOLIS - The presidential and vice presidential campaigns of Hillary Clinton and Sarah Palin opened a new chapter in national politics. In Indiana, Democrat Jill Long Thompson shattered the ceiling by winning the Democratic gubernatorial nomination.

There's been success at other levels in Indiana, with the last two lieutenant governors, Becky Skillman and Kathy Davis.

But did the events of 2008 create new opportunities or obstacles, particularly since all but Skillman lost their races?

"We have these women who have stepped forward this time who aren't your typical candidates," said Sandi Huddleston, assistant chair of the Indiana Republican Party and outgoing head of the Richard G. Lugar Excellence in Public Service Series.

"If they're successful, and even if they're not, we need to look at them as examples for other women and get all of our citizens to realize that there's opportunity."

The Lugar Series, established in 1988, involved a group of women who, with Sen. Richard Lugar, R- Ind., formed an organization devoted to strengthening the presence of Republican women in Indiana government. The program has seen 344 graduates pass through, including Lt. Gov. Skillman and Rep. Cindy Noe, R-Indianapolis. Four of its graduates are candidates in the upcoming legislative elections: Cheryl Musgrave, Wendy McNamara, Sue Ellsperman, and Tammy Winning.

"**What's happening** is there is a concerted effort in especially the House campaigns by the Indiana Republican Party to support women," said Huddleston. "And many of these women have come through the program. Because they're trained, they're not concerned about stepping forward into these big positions."

"The Lugar Series has been wonderful for educating women and giving them the opportunity to decide which direction they want to go," said Rep. Kathy Richardson, R- Noblesville.

Sen. Vi Simpson, D-Bloomington, has been trying for years to create a similar program for her party.

"I've been trying to get a program like the Lugar Series started for years. But, it costs money, and you have to have the resources," said Simpson, "and so far I just haven't been able to lay my hands on enough resources."

Simpson has, however, hosted the Democratic Women's Day function at the Statehouse for the past six years during the Legislature's long budget sessions.

Huddleston supports Simpson's efforts despite their respective political leanings.

"When you look at our program in the Lugar Series, it is an educational program," said Huddleston, "We are partisan, but we are an educational program. And you should not be selfish in wanting other people and women to be educated in what goes on."

Simpson was first elected to the Senate in 1984.

She is the first female lawmaker to serve on the State Budget Committee and the first to be elected leader of a caucus.

"Women now have some seniority because some of us have been around for a while and this whole body is based on seniority. So because we've chalked up some years and developed some expertise, you see people chairing committees and things," said Simpson on the change in the status quo.

"When I first came I had to be on the Health Committee and the Education Committee because those were considered 'women's issues,'" said Simpson, "And people don't do that anymore. I don't think that's even considered anymore."

Indiana's population is 50.7 percent female.

That percentage isn't reflected in the make up of the Indiana General Assembly. The Senate is 26 percent women. The Indiana House of Representatives is 22 percent female.

This number has been rising slowly for many years, but not fast enough for some.

Simpson said that part of the problem comes from the different ways men and women look at government.

"**Women are more likely** to run for office if they are asked," said Simpson, "which I think is different than how men make that decision. I do think there is a difference in how women process the whole idea of holding a public office. And, there is a difference in how we serve, too."

Huddleston sees different a different reason for the misrepresentation in numbers.

"Frankly, I think that women sometimes have a hard time supporting other women," said Huddleston. ❖



Assistant Republican Chairman Sandi Huddleston has led the Lugar Series since 1988 and is now seeing its graduates emerge as candidates. (HPI Photo by Steve Dickerson)



Newman, John visit Daniels to woo Massa

By **BRIAN A. HOWEY** and **KATIE COFFIN**

INDIANAPOLIS - On a cold Wednesday morning, Marion County Republican Chairman Tom John and former prosecutor Scott Newman trudged into Gov. Mitch Daniels' office. Their mission was simple: get permission to talk to gubernatorial counsel Mark Massa.



The mission occurred after one of the more bizarre turns in county politics. Prosecutor Carl Brizzi announced a week ago he would not seek reelection and anointed his long-time

chief of staff Helen Marchal as his successor. Six days later, Marchal abruptly decided not to run, citing "the sobering realities of a condensed, nine-month campaign" in a letter released by Tom John to Republican precinct officials late Tuesday afternoon.

Brizzi was not happy, telling HPI and the Indianapolis Star that he didn't find out about John's letter until after it went out. He told the Star that he and Marchal had talked about the campaign for months.

Blog reports surfaced that Gov. Daniels had not been consulted, but several HPI sources said there was a pow-wow involving the governor's staff, Newman and John prior to Marchal's exit. Sources in the governor's office did not return text messages from HPI seeking comment.

John denied the Indianapolis Times blog report. "The governor has had no role," John said. "He didn't get blindsided on anything either. I meet with Eric Holcomb once a week and Eric knew that Helen was going to run. They weren't picking anyone; they were completely out of this."



Marion County Republican Chairman Tom John wants Mark Massa in the race. (HPI Photo)

But with Marchal stepping away from an almost certain GOP nomination, John said that it "would have been completely irresponsible for us not to consider who the best candidates are." At the top of his list is Massa.

"Mark Massa is one of those guys," John said. "Out of respect to Governor, talking with a key person in his administration without talking to him (first) would not work. We told him that Mark Massa has to be considered for this role. This guy is the right guy for the office."

John said Daniels, "very reluctantly said 'I don't want to lose this guy. He's been a great partner. If you think you need to talk to him, to talk to the best person for prosecutor, I give you my permission.'"

Asked if Massa had, indeed, been approached, John added, "I assume Scott (Newman) may have talked to him."

John said there were a number of other names surfacing: Chad Hill, Aaron Freeman. Dave Cook, Bob Hill, Judge Bob Altice, Sheila Carlisle, Jim Joven, Jeff Preston, among others. "We're going to give this a full, fair process," John said, leading up to the GOP slating on Feb. 13.

Massa is a long-time veteran of Marion County legal and political circles, serving as deputy prosecutor and chief counsel under Newman and under U.S. District Attorney Susan Brooks. He stepped up for the party in 1999 when he managed Sue Anne Gilroy's unsuccessful mayoral bid. Many in the party felt that Massa was unfairly blamed for that loss.

Tuesday's events reverberated through both parties on Wednesday. "It seems like a complete fiasco," Marion County Democratic Party Chairman Ed Treacy told the Indianapolis Star. "I'm kind of dumbfounded by it. I gave them far more credit for having their act together."

Three Democrats - Terry Curry, former legislator David Orentlicher and county Assessor Greg Bowes - are seeking the nomination.

U.S. Senate: Bayh campaign team

U.S. Sen. Evan Bayh's campaign team for his 2010 re-election includes: Dave Beattie, Hamilton Campaigns, polling; Bill Knapp, Squier Knapp Dunn, media; Jim Crouse, MackCrouse Group, direct mail; Nancy Jacobson, national fundraiser; Emily Gurwitz, Indiana fundraiser; and Dan Parker, Indiana Democratic chairman, campaign manager.

2nd CD: Walorski files, mutes Obama

State Rep. Jackie Walorski officially filed her 2nd CD candidacy this morning at the Secretary of State's office. Walorski said afterward, "I'm just excited. We've had such an outpouring of support from people. It's starting to light up."



Walorski said people are concerned about jobs, adding that she watched President Obama's State of the Union address with with Republicans, Democrats and Independents in the room and they were "not impressed."

"They were not excited about the fact that there was no message of what tangibly this administration's going to do to turn this thing around," said Walorski, who will challenge U.S. Rep. Joe Donnelly. "I finally just got up and muted him, and started speaking to these people saying, 'You know, here's what we have to do. We have to do at the national level what we've done in Indiana which is bring in billions of dollars of private investment, let those companies grow jobs and stay out of the way as they do it.'"

Walorski also said keeping the tax structure low is important, noting her campaign polled a couple months ago prior to the health care bill. Donnelly voted for the health care bill and the public option. Walorski said Massachusetts set a "fire" in the political realm. "[Donnelly] was vulnerable then. I know he's more vulnerable today."

Walorski said her FEC report filed over the week-end will show \$116,000 raised. Donnelly raised over \$207,000 in the fourth quarter of 2009. The campaign begins the election year with over \$750,000 cash on hand.

5th CD: Critical moment at hand

It's put up or shut up time in the 5th CD Republican primary with fourth quarter 2009 FEC reports due at the end of the month.

Challenger Luke Messer is expected to report more than \$100,000 raised for the period. The other challengers are being circumspect. Neither Brose McVey nor State Rep. Mike Murphy were providing clues as to what they had raised.

The stakes are high. While almost everyone associated with the challenger camps believe that all are committed to staying in the race through the primary, conventional wisdom says that if U.S. Rep. Dan Burton has four chal-



State Rep. Jackie Walorski filed her 2nd CD candidacy with Secretary of State Todd Rokita this morning. (HPI Photo by Katie Coffin)

lengers, he's a cinch to be renominated.

Candidates lagging seriously behind Burton and the frontrunner challengers - Messer and Murphy after the 3rd quarter - will be under pressure to drop out.

Last summer, a number of party elders led by P.E. MacAllister, tried to set up a scenario where the challengers would compare money totals and support and come to a consensus. If such a scenario had gained traction, next week would have been the time for consensus. McVey was the lone candidate to embrace the notion at the time. There is no indication

that such a scenario will unfold.

McVey was critical of President Obama's State of the Union speech last night as well as the national debt. "Our government is literally swimming in some \$12.3 trillion - with a "t" - in debt," McVey said.

"When you add up all of the I.O.U.'s hanging around the taxpayer's neck, the total is closer to \$100 trillion. And, with regard to Social Security, this reckless shell game amounts to nothing less than the greatest ponzi scheme of all time," said McVey. Tonight, after pushing a budget-busting health care bill, pushing through an across-the-board budget increase of 10 percent, and expanding Medicaid, the President is going to try to trick us with a modest, three-year 'freeze' in spending? The American public must be getting dizzy. One day we need trillions in bailout funds and new programs.

"The next day we need gimmicky budget freezes. This silliness would be more amusing if it wasn't placing the future of this nation at risk."

Murphy rolled out his education plan last week. "After releasing my detailed views on Agriculture, Energy, Health Care, and Defense, I now present the Murphy Plan on Education," Murphy explained. "My plan calls for a change to the status quo in education as a way to increase our personal and community prosperity. Through reforms already making their start in Washington, and some re-



forms farther from realization, we can improve the quality of our education system to the benefit of all Hoosiers. While advocating reforms, my plan also calls for state and local communities to maintain control over education policy with the federal government acting in a supportive role." Murphy also called for an expansion of charter schools.

"In order for one to lead, they must look for good ideas from any source," Murphy said. "While I disagree with many of the proposals offered by our current administration, the education reform ideas offered by President Obama and Secretary of Education Arne Duncan have much merit. The 'Race to the Top' grant program in particular highlights an aggressive reform agenda."

9th CD: Sodrel leads Hill in Rasmussen Poll

After a dearth of polling for most of 2009, the data spigot has opened and the Rasmussen Reports Poll in the Senate race, and a SurveyUSA poll in the 9th, reveal an anti-incumbency tone. The Jan. 17-19 SurveyUSA poll showed former Republican congressman Mike Sodrel leading U.S. Rep. Baron Hill 49-41 percent. President Obama's fav/unfav stood at 38/58 percent. On health care, 72 percent said they were "satisfied" with the quality of care they receive, but 46 percent were dissatisfied with the amount they have to pay. On the question of should Americans be "required" to carry health care, 50 percent said it was a bad idea and 42 percent said it was a good idea. Some 45 percent said that Hill should vote against any bill. The polling did not include Republican Todd Young. Young appeared at the Indiana University Young Republicans on Monday and challenged Sodrel to a series of weekly debate. Sodrel quickly accepted.

Hill was advocating statutory PAYGO this week. Hill's office noted that House Blue Dogs realize "the serious fiscal situation that our country faces." The Blue Dogs said it "reflects not only the severe economic downturn we inherited, but also years of failing to pay for new policies—including the 2003 prescription drug law and large tax cuts that most benefited the well-off. The result was that the surpluses projected at the beginning of this decade were transformed into trillions of dollars in deficits that threaten future job creation and economic growth. In the 1990s, statutory PAYGO encouraged the tough choices that helped to move the government from large deficits to surpluses, and I believe it can do the same today.

"Statutory PAYGO would hold us to a simple but bedrock principle: Congress can only spend a dollar if it

saves a dollar elsewhere. Mandatory spending increases and tax cuts must be paid for; they're not free, and borrowing to finance them is not a sustainable long-term policy."

HD46: Heaton kicks off campaign

Republican Bob Heaton announced he will seek election to the Indiana House of Representatives in House District 46. "The decision to run for office was not difficult to make," Heaton said. "There is a lot the General Assembly can do to protect the jobs we have, as well as bring in new ones, that is not being done by the people currently in power." In 2008, Heaton lost to State Rep. Vern Ticher 12,488 to 12,076. Heaton said the property tax caps are one of the most important issues to come through the General Assembly and will provide permanent property tax relief for Hoosiers around the state. "Now that the people will have a chance to vote on the tax caps, I believe we will finally see permanent relief for taxpayers throughout the state," said Heaton, noting that Ticher voted against the caps.



Heaton will challenge State Rep. Vern Ticher for a second time. (HPI Photo)

SD29: Shackelford to challenge Sen. Delph

Pike Township resident Robin Shackelford announced her candidacy in HD29 where she will challenge State Sen. Mike Delph, who ran unopposed in 2006. In a press statement released on Wednesday, her campaign will focus on "improving the quality of life for Hoosiers in her district and across the state by developing a strategic economic development plan that includes attracting and retaining more family wage jobs to Indiana. At the same time, she pledges to work with parents, teachers, administrators, and students to pursue the best options available to strengthen Indiana's education system. "A strong education is essential to finding a job that can support a working family," Shackelford said. "What District 29 – and the rest of Indiana – needs is a leader who has the insight and experience to bring people together to find common solutions, so our state can attract good paying jobs and remain competitive in the global economy." Currently, Shackelford serves as a project coordinator for Engaging Solutions, a consulting firm that provides fiscal, planning, fund development and diversity services to corporations and non-profit organizations." Describing herself as a "dedicated public servant," Shackelford previously worked for the City of Indianapolis under Mayor Bart Peterson. She was his Diversity Affairs Director. ❖



Confirmation battle looms over next Supreme nomination

By CHRIS SAUTTER

WASHINGTON - In spite of President Obama's call to bipartisanship in the State of the Union address, judicial "confirmation wars" in Congress will soon heat up again. Supreme Court Justice John Paul Stevens, who will be 90 years old in April, is all but certain to retire at the end of the current term in June. According to sources close to the Administration, the White House has already begun finalizing a short list of candidates for President Obama to choose from to replace Stevens, who is the oldest and longest-serving incumbent member of the Court. But don't expect a confirmation process as smooth as the one last year for Obama's first Court



Chris Sautter
Column

pick, Justice Sonia Sotomayor. Republicans are preparing to filibuster the President's next choice—whomever it may be.

One consequence of Democrats losing the Massachusetts Senate special election is that Republicans now have the numbers to block nominees for federal court seats if they stay united. Republicans were successful in stalling lower court judicial confirmations last year even when the Democrats had 60 votes, a so-called filibuster proof Senate. Hoosier Judge David Hamilton's nomination to the 7th Circuit Court of Appeals was held up for months until the votes for confirmation were finally rounded up in November.

From the beginning of the Obama presidency, Republicans have been committed to a strategy of obstructing his judicial appointments. Republican Senator Jon Kyl began threatening to filibuster Obama's Supreme Court nominees within a week of the November 2008 election. That was when the Democrats had but 58 seats, before Arlen Specter switched parties and Al Franken outlasted Norm Coleman for the disputed Minnesota Senate seat. Throughout the past year, Republicans joined by one or two conservative Democrats have been holding lower court nominees - even non-controversial ones - hostage by threat of filibuster in the continuation of a 40-year war over the direction of the federal judiciary. Now Republicans, some of whom argued that filibustering was unconstitutional when George W. Bush was President, are ready to turn their sights on Obama's next Supreme Court nomination.

Although filibuster of a Supreme Court nominee is almost unprecedented, Republicans now plan to use the threat of filibuster to keep Obama and the Democrats on the defensive. The only nomination to be blocked by filibuster was that of Justice Abe Fortas, whom President Lyndon Johnson had nominated for Chief Justice in 1968

to replace the retiring Earl Warren. The choice was initially viewed as uncontroversial since Fortas had been easily confirmed as Associate Justice. But Johnson was a lame-duck president, having just removed himself from reelection. Republicans and a band of Southern Democrats unhappy with Fortas' liberal views on civil rights filibustered in hope that Richard Nixon, who was campaigning to change the direction of the Warren Court, would win the presidency later that year. Johnson eventually withdrew the nomination and Nixon was able to nominate Warren Burger as the next Chief Justice in 1969.

While no nominee to the Supreme Court has been filibustered since Fortas, 1968 marked the beginning of the current contentious era of Court nominations. Before the Fortas battle, Congress generally deferred to the presidential choice for the high Court. For example, from 1897 to 1968, the Senate rejected only one Supreme Court nominee - during the Hoover administration. Since 1968, though, three more nominees have gone down to defeat, another withdrew before the nomination was actually submitted, and several more were hotly contested.

In spite of the escalation of these "confirmation wars," a vote on the floor of the Senate has been the norm for Supreme Court appointments. Judge Clarence Thomas, the most conservative nominee in 50 years, was confirmed by a 52 to 48 vote when Republicans had only 43 Senators. But now the federal courts have fallen victim to what former U.S. Solicitor General Walter Dellinger calls "the new Senate paradigm" in which 60 votes has become the new 50 for Senate confirmation of judicial appointments. The result is that some federal court vacancies will remain unfilled for years. It remains to be seen whether Republicans will be able to stall the next Supreme Court confirmation past this November when more Republicans are expected to join the Senate.

Republicans who opposed filibustering judicial nominees during the Bush years now support it on the grounds that challenged nominees meet their definition of "extraordinary circumstances" set by a bipartisan group of senators in 2005 under which a filibuster could be warranted. The undefined phrase was a part of a compromise to avoid use of the so-called "nuclear option" to change Senate rules through procedural maneuvers to prevent filibusters from being used in judicial confirmations. In fact, "extraordinary circumstances" amount to no more than ideological disagreement in the choice by partisan Senators. And, while the confirmation wars began in 1968 largely focused on differences between those who supported and opposed civil rights, it now encompasses every ideological disagreement between the left and right.

Beginning with Richard Nixon, Republican presidents have generally used Supreme Court nominations to excite their ideologically conservative political base at the



cost of igniting divisive confirmation battles. Meanwhile, Democratic Presidents Clinton and Obama have settled on moderate choices in order to avoid such fights. Nonetheless, buoyed by their success in Massachusetts, Republicans will fight and delay Obama's next Supreme Court nominee in hope that it helps paint Democratic Senators up for reelection as "liberal," even if Obama's next Supreme

Court nominee comes from the list of moderates floated last spring after Justice David Souter announced his retirement. It makes one wonder whether Democrats would be better off in this tough election year with a Supreme Court nominee who truly excites their progressive base. ❖

Sautter is a Washington-based political consultant.

Governor's cuts hit poor, not rich

By **SHAW R. FRIEDMAN**

LAPORTE - As state revenue estimates continue hitting the skids, we keep hearing from the Governor how he's going to make budget cuts and demand sacrifices. Yet the cuts so far are inflicting pain on those least able to afford it. Senate Minority Leader Vi Simpson (D-Ellettsville) was right this past week to challenge cuts that make no sense or simply inflict damage on the aged, the infirm and the disabled.



For instance, the state's recent 20 percent cut in adoption subsidies appear as mean spirited and cruel as cuts come – and they don't make good financial sense for the state, either. The subsidies give adoptive parents the funds they need to support the additional responsibilities of raising these kids. Bottom line – the adoption rates of special needs kids have fallen as a result of the cuts. Boy, that was gutsy Governor – going after special

needs kids and their families!

How about this Governor show some real guts and go after the rich and powerful corporations who are skating on their tax obligations to Indiana? How about a "profile in courage" there for a change?

It seems "Our Man Mitch" is more than willing to pick on local firefighters and teachers first, rather than asking the nation's biggest, most profitable corporations to pay their fair share. It's interesting that as recently as 1990, corporate income taxes accounted for 12% of our state budget; now they account for just 6%.

Governor – we can close the budget gap without raising taxes or hurting the most vulnerable among us. First off, let's do what we can to close off tax shelters and gimmicks that allow some of the largest corporations in the world to evade their state tax obligations. Whether it's passive investment corporations (PICs), sending Indiana income to tax havens or gimmicks like transfer pricing, we are missing the boat on hundreds of millions annually in much needed tax revenues. The nonpartisan, Mutli-State Tax Commission (MTC) estimates that Indiana loses up to

\$361 million a year from various tax shelters and dodges. Thanks to former State Rep. Robert Kuzmann (D-Crown Point) and Rep. Scott Pelath, (D-Michigan City), Indiana has rejoined the MTC. It's time we give our Department of Revenue the tools to go after tax evaders in the corporate suites.

Secondly, let's recoup monies that are owed when big corporations don't perform. Exhibit A is the Governor's failed experiment with privatizing welfare benefits and eligibility. Somehow, the state has already spent \$340 million on this ten year \$1.3 billion contract and it was a complete flop. Documents were lost, Medicaid and food stamps weren't timely processed and taxpayers didn't save one thin dime. Rather than give IBM a parting gift of \$4.4 million as a going-away prize, how about the Governor commission a detailed audit, demand transparency and recoup every penny that any vendor or contractor owes the state of Indiana. Somehow the Governor found \$180 million to give IBM as a contract add-on in August when the contract was obviously failing. He needs to recover any money owed Hoosier taxpayers under this debacle.

Finally, when are we going to see the Governor and Attorney General Zoeller sue any of the big investment banks whose unsavory practices cost any Indiana insurance companies or pension funds money as a result of the Wall Street investment scandals? We see Attorneys General in other states like Lisa Madigan in Illinois protecting their citizens and willing to take on Wall Street. Just a few weeks ago, we read reports that not only did investment banks like Goldman Sachs sell worthless, bundled securities to unsuspecting pension funds and insurance companies – they actually hedged their bets that many of those same securities would go bust and short-sold the same investments they were promoting to others!

Mitch Daniels is the first to go after adoptive parents and demand sacrifice – just like he is eager to go after some local school corporation or Sheriff or county commissioner to demand efficiencies and cutbacks. Hoosiers have been badly hurt because of the outrageous schemes on Wall Street and it's time that our Governor was willing to hold Wall Street's feet to the fire and demand the world's biggest corporations be made to pay what they owe in Indiana taxes and repay what they have improperly taken from Hoosier wallets. ❖



HPI Q and A: Vincent I. Perez, Forensic ID

By BEVERLY PHILLIPS

This week the Indiana Criminal Justice Institute (ICJI) awarded Indianapolis-based Forensic ID with grant funding which will allow for expanded Touch DNA technology for Indiana crime fighters. The \$1.2M ARRA Justice Assistance Grant expands a 2008 pilot project with the Indianapolis-Metropolitan Police Department (IMPD) and brings Touch DNA resources to the Ft. Wayne Police Department for the first time. Touch DNA holds great promise in reducing gun and property crimes.

HPI: What is Touch DNA?

Perez: Touch DNA takes forensic evidence to a whole new level. It is what its name implies – in the course of a day, we all leave trails of DNA evidence everywhere we go, everything we touch. We shed skin cells constantly. Very small amounts of that DNA evidence – which includes skin cells, saliva, blood, and body fluids – can be analyzed from less than a nanogram.

HPI: How does Touch DNA save taxpayers money?

Perez: This technology stands up very well in court, more so than Low Copy Number (LCN) DNA. One huge benefit is ruling out suspects more quickly. Speaking as a former cop, it's important that police aren't chasing false leads and can focus resources on finding the real bad guys. Prosecutors have solid forensic evidence that increases the likelihood of a conviction. What's happening more and more is that when a defendant knows the prosecution has DNA evidence, in some cases they more readily admit guilt, which saves the already stretched resources of prosecutors, public defenders and the judicial system. One study by the Department of Justice a couple years ago looked at five cities and property crime investigations using Touch DNA. They documented longer convictions for career criminals, which means individuals who are intent on victimizing others are stopped. You can't put a price on that.

HPI: Has it been used in any well-known investigations or prosecutions?

Perez: It was used to rule out once and for all that Jon Benet Ramsey's parents – John and Patricia – had anything to do with her tragic murder in December of 1996. A DNA profile was pulled from two places on the clothing she

wore the night she was killed. Using Touch DNA technology investigators found a genetic match with a larger quantity of previously analyzed DNA from her undergarments. So, DNA from two pieces of crime scene evidence matched an unknown male believed to be her killer. A shadow of suspicion had hung over the Ramsey's heads for many years and they were literally put through hell. Touch DNA vindicated the parents; it ended the speculation. A lot of time and money was wasted investigating the parents when the true killer was, and is, still at large.

HPI: Is fingerprinting used any more?

Perez: Fingerprinting is not used as much now that we have DNA technology. For example, it is very, very difficult, if not impossible, to get good fingerprints from guns. Trigger ID provides an easy to use method for collecting trace evidence from the trigger. IMPD seizes about 3,000 guns each year and those guns can all be analyzed to know if a convicted felon handled them. So it's two-fold: If they are felons, they aren't supposed to have guns and if they are still committing gun-related crimes, we can identify them more quickly. In general if we look at DNA versus fingerprints here in Indianapolis, out of 189 Touch DNA cases analyzed by the Marion County crime lab in 2008, police were able to obtain full and partial offender DNA profiles in 48% of those cases; compared to just a 5 percent success rate from fingerprints.

HPI: How is Touch DNA being used in property crime investigations?

Perez: Property crimes are a bit problem everywhere, urban and rural alike.

Recovering more DNA evidence from burglary crime scenes can have a dramatic impact on reducing burglaries. The crime of burglary has one of the highest recidivism rates. DNA evidence increases the likelihood of a conviction and removing career criminals from the streets for longer periods of time. The DOJ study I mentioned measured the cost effectiveness of DNA evidence in property crimes and found that defendants identified through this technology received an average sentence of 13.9 years; compared to 1.4 years using traditional investigative means. They found the prosecution-filing rate to be eight times greater than cases without DNA. One of the cities studied was Denver that says its home burglary rate dropped by 26%. That's the kind of potential Touch DNA holds here in Indiana and elsewhere to reduce crime. ❖



Perez is vice president and general counsel at Forensic ID (HPI Photo)

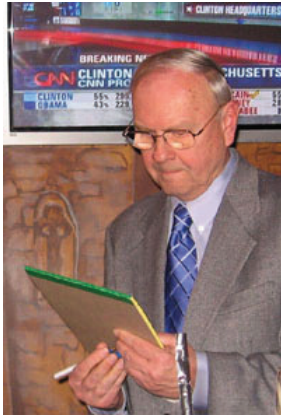
Beverly Phillips edits HPI and has an independent PR/media consulting business based in Indy.



Too early to write off Obama as one-termer

By JACK COLWELL

SOUTH BEND - How does one begin a column on the Democratic debacle in Massachusetts, where loss of the Senate seat long held by Ted Kennedy prompts some Washington pundits to write virtual obits for the year-old Obama administration?



It occurred to me to use the same lead as in this space last May 31 - with just two words changed.

The lead then, at a time when some those same pundits were writing obits for the Republican Party, was this: "The Republican Party is not dead. Nor is it dying. It is sick, for sure, but not with a terminal malady."

Today, let's go with the same three sentences, only changing two words. Delete "Republican Party" and insert in lieu thereof "Obama administration."

After an election thumping _ and Democrats suffered one with national implications in Massachusetts _ there often is speculation about the demise of the defeated party. You know: The Republican Party was dead after Barry Goldwater was trounced in 1964. The Democratic Party was dead after George McGovern was trounced in 1972. Republicans were dead again after Watergate. Democrats were dead again after Karl Rove put together a Republican base to reign for decades.

Well, you get the picture.

Republicans did suffer a big defeat in 2008, with Obama elected president, even carrying Indiana, and Democrats gaining firm control of Senate and House. But Republicans weren't dead. Proof: Their ability to stymie Obama and win governorships in Virginia and New Jersey and then to win that Senate seat in Massachusetts, a state so Democratic in national politics that it was the only state to go for McGovern in 1972.

Republicans had no one to blame but themselves for their '08 losses.

With control of Congress and with George W. Bush in the White House, they spent like drunken sailors. Actually, drunken sailors at least don't pretend to be budgeting conservatively. They listened too much to lobbyists and didn't concentrate on what was most important to the people.

They got what they deserved. But their defeat did not mean that the new Democratic majority would live happily forever more.

With control of Congress and with Barack Obama in the White House, Democrats fiddled while health care burned. They bickered among themselves, resolving nothing thus far, while giving the impression that they too listened too much to lobbyists and weren't concentrating on what was most important to the people.

They needed to act by August on a health care plan, one put together with reasonable compromise between progressives and moderates on many worthwhile elements on which both could agree. It would have been popular then, except with the insurance companies, as actual legislation rather than fabrications would have been in focus.

Instead of acting quickly, they quibbled, with the Senate finally passing its Christmas tree version, with ornaments for every supporter, on Christmas Eve. Meanwhile, House Democrats said the Senate version was bad. Senate Democrats said the House version was bad. Moderates said the progressive provisions were bad. Progressives said the moderate provisions were bad. Republicans, knowing that negative works, said all of it was bad.

So, should Democrats be surprised when polls show growing belief that their health care proposals are bad and that they are doing a bad job?

Democrats, claiming that the Massachusetts defeat really had little meaning nationally, cite excuses: Their nominee turned out to be less than stellar. True. The Republican nominee came up with one of those silly but effective gimmicks, an old truck. True. They took the race for granted for too long. True. Conservative groups, smelling blood in the water, swarmed into Massachusetts with an all-out effort to embarrass Obama. True.

But all of these factors would not have brought defeat in that race if the Democratic brand had not been tarnished.

Democrats have no one to blame but themselves.

But defeat doesn't mean the demise of the Obama administration.

Yes, Republicans will make significant gains in House and Senate. How significant? A lot depends on what Democrats do now _ finally pass a reasonable health care reform or nothing, finally focus like a laser on the economy or nothing, finally recapture the "change" issue or nothing.

The Obama administration is far from robust health, but not with a terminal malady. ❖

Colwell has covered Indiana politics over five decades for the South Bend Tribune.



School year bill moves in Senate committee

By **JULIE CROTHERS**

Indiana schools may be able to enjoy Labor Day with families before heading back to the classroom, should Senate Bill 150 become law. If passed, the bill would require that no Indiana schools begin before the Tuesday after Labor Day. An amendment passed during the Senate Education and Career Development committee Wednesday would allow school corporations to extend the school year beyond the original June 10 end date if they feel it necessary.

An education study board would make recommendations to the General Assembly concerning student and school performance before deciding on the flexible end date. The changes would not apply to year-round schools. The bill passed out of the committee, 8-1. Sen. Mike Delph, R-Carmel, said his main focus in sponsoring SB 150 was to help Hoosiers "get their summers back with their kids." He said the bill would not hinder the state's required 180-day school year. "I would not support anything that would sacrifice academic excellence," Delph said. Over the past several years, Indiana schools have been inching back their starting dates, ending summer some two to three weeks early so students can hit the books. Critics say that students should be spending more time in the classroom, rather than less. Delph said he also plans to consider the long-term consequences of having shorter school days, but said starting school later in the summer would not cause major disruptions to student learning. "This is a sensible shift in the school calendar," Delph said. "We're promoting family values." If passed by the Senate next week, the bill then would move to the House for consideration.

TEACHER MISCONDUCT BILL PASSES: The Education Committee passed a bill that would require schools to maintain a record of educator misconduct that then would be passed along to future employers wanting to do background checks. Opponents of Senate Bill 242 argue that for confidentiality reasons, the measure may do more harm than good. Concerns about the timing of such measures were also debated. Should an educator be accused of wrongdoing and be suspended from a teaching position, the paper trail might not catch up with a teacher quickly enough to avoid a hire elsewhere. Nancy Papas of the Indiana State Teacher's Association said that such legislation could too quickly allow innocent people to be

thrown under the bus by students seeking revenge. She urged the committee to consider evaluating the accusations on a case-by-case basis rather than immediately filing them into a report. The bill passed unanimously out of committee. - **Julie Crothers**

MIXED REACTION OVER PD, FD FEES: A bill prohibiting townships, municipalities and fire departments from collecting emergency response service fees brought mixed testimony during the Senate Local Government committee meeting Wednesday. Jon Zarich testified on behalf of the Insurance Institute of Indiana and said these bills for emergency services can total \$1,000 and higher for services many people think already have been paid through property tax. "People may not call the fire department if they are going to get billed for it," said Sen. Allen Paul, R-Richmond. Paul, sponsor of Senate Bill 145, said his bill would prohibit the billing of services from departments that already receive money from taxpayers. However, volunteer fire departments would be exempt from the bill. Tom Hanify spoke on behalf of the Professional Firefighters Union of Indiana. He stood in opposition of the bill, saying billing practices are not widespread or commonplace. "[SB 145 is] something we need to address," Hanify said. He said more time is needed to look into the issue. After an hour of hearing testimony on the bill, the committee moved the bill to the full Senate, 8-3. - **Renee Bruck**

LENDING BILL BARELY MAKES IT TO HOUSE FLOOR: A bill to curb aggressive lenders provoked sharp disagreements in the Financial Institutions committee of the Indiana House Thursday. The fact that it emerged from the committee was more a tribute to the faith lawmakers have in House Bill 1336's sponsor, Rep. Dale Grubb, D-Covington, than in the bill's merits. Rep. Vanessa Summers, D-Indianapolis said she didn't agree with the way some members of the committee treated Rep. Dale Grubb, D-Covington, and his bill. Summers said Grubb is a good politician and members such as Rep. Woody Burton, R-Greenwood, and Rep. Chester Dobis, D-Merryville, should put their faith in Grubb that he will do the right thing with his bill. "I cannot believe you would do Grubb like that," said Summers to Burton and Dobis for voting against Grubb's bill. Summers said she would pass the bill because she knows Grubb wants to help Indiana, and she didn't want to see his bill die in committee. The committee agreed that the bill, which would regulate out-of-state credit unions and state retirement funds, needs a lot of work. "I am willing to work together on this bill with the committee," said Grubb. Grubb said financial institutions not funded by Indiana have an advantage because they can charge higher rates than financial institutions in Indi-





ana. Indiana has a maximum interest rate of 21 percent, said Grubb. HB 1336, aggressive lenders, passed to second reading, 7-4. - **Mitch Downs**

WILL WOULD ALLOW 16-YEAR-OLD BLOOD

DONORS: Sen. Patricia Miller, R-Indianapolis, said all Senate Bill 46 does is make it possible for 16-year-olds to donate blood if they have their parents' consent (Lemon, HPI/Franklin). Sharyn Whitman, CEO Indiana-Ohio region of the American Red Cross, said, "Currently Indiana law is silent on the issue of 16 year old blood donations," Sharyn Whitman of the American Red Cross told the Senate Health and Provider Services committee Wednesday. "We now seek to elect specific language to definitively support blood collections from 16 year olds," Whitman said. The committee approved the bill unanimously. It now moves to the full Senate. - **Rachel Lemon**

BATTLE RAGES OVER ALCOHOL:

A battle raged between alcohol suppliers, wholesalers and retailers in Indiana House and Senate committees Wednesday over whether or not to change a supplier's process of switching wholesalers.

Alcohol marketing is a three-tiered system. The suppliers are the first tier, and they are companies like Jack Daniels. They sell wine, beer and liquor to the wholesalers, like Monarch Beverage Company. The wholesalers then sell it to the retailers, who sell it to the public. The system is in place due to laws dating back to Prohibition.

Senate Bill 244, introduced by Sen. James Merritt, R-Indianapolis, aims to allow a person to wholesale beer, wine and liquor, where the law currently only allows a person to wholesale wine and beer or wine and liquor. House Bill 1191 introduced by Rep. Scott Pelath, D-Michigan City, is virtually the same.

The provision in these bills that provoked hours of debate in two committees was the one dealing with the process for suppliers switching wholesalers. This bill would require that, when a supplier decides to switch wholesalers, the ousted wholesaler would have to negotiate with the new wholesaler on what "fair market value" is for the right to distribute that particular brand. If an agreement is not reached between the two, it would be settled by "binding arbitration." When a dollar figure is settled, the new wholesaler would have to pay the old wholesaler that settled amount to make up their loss in distribution rights.

The two companies who are the main supporters of this bill are National Wine and Spirits and Monarch Beverage Company. They worked together with legislators to craft the bill, which NWS says on their Web site will "level the playing field" in alcohol marketing. The legislation was designed to protect Indiana alcohol wholesalers against out-of-state companies with deep pockets who could turn

the state into a profit center. Southern Wine and Spirits, which is a \$9 billion operation working out of 29 states, was recently licensed in Indiana. The NWS Web site says that Southern's profits would not be invested in Indiana like theirs would.

Stephen Becker, executive vice president and treasurer of Southern, said there are a lot of "misconceptions" about his company. He said that they also pursue charitable enterprises and they pride themselves on their customer service.

"I think the fact that there is no franchise law ensures good customer service," Becker said. "If this legislation passes, there will never be another wholesaler in the state of Indiana. It doesn't make economic sense. Southern will certainly not come to Indiana."

Several citizens testified in favor of NWS on their charitable enterprises. Nicole Oprisu, president of the Broad Ripple Bar and Restaurant Association who also independently owns and operates restaurants in Broad Ripple, said that it's important to keep independent distributors in Indiana. She also said it was a pleasure to work with Jim LaCrosse, CEO of NWS, and his family.

"Even though I am not the biggest fish in the pond, it's nice to know that somebody like National Wine and Spirits is willing to treat me as if I were," Oprisu said. "I don't think that's necessarily something that you can find on a national level."

Paul Mannweiler, a representative of NWS, said this bill would not create monopolies or prevent wholesalers from entering Indiana. He said that suppliers would not be forced to change wholesalers and the bill only provides transfer and compensation language between wholesalers.

"We're just trying to help Indiana companies and keep Indiana jobs," Merritt said.

Opposition to this bill believes it will create monopolies for NWS and Monarch and discourage competition. Jim Calvert, vice president of product development for Olinger Distributing, said that Olinger is out-of-state owned but have been in Indiana since 1946. He said his company has also been involved in the community and charitable giving. Calvert also said that, like NWS and Monarch, he is not happy that Southern is in the Indiana market. However, he said it shouldn't be a surprise that consolidation is happening. He said while Southern is painted as the "600-pound gorilla," Olinger is likewise painted as the "400-pound gorilla" because they are a part of a 12-state network with Glazer, one of the country's largest alcohol distributors. They possess about 37 percent of the spirit market share.

Calvert, along with Brian Burdick of the Distilled Spirits Council of the United States, said that while the bill appears "benign," it will actually harm competition and drive up alcohol costs. Both the House and Senate bills passed their respective committees. - **Katie Coffin**



Mark Kiesling, Times of Northwest Indiana: It sounds like someone is putting me (and everyone else) on here, and even a casual reader of the column knows how I hate that. Calumet Township Assessor Booker Blumenberg said the state has really not taken over his office and that he is performing his job with exemplary results -- and that state Department of Local Government Finance Commissioner Tim Rushenberg is full of hot air. Rushenberg said on Jan. 16 that his office will assume the duties of the Cal Township assessor's office because the assessor's office is woefully unable to perform even the basic functions. Rushenberg contends taxpayers are paying the bill for gross malfeasance and incompetence. Blumenberg has taken umbrage with Rushenberg's assessment and said he will continue in office, full steam ahead and damn the torpedoes. "My office is unaffected by your purposed actions," Blumenberg said in a letter to Rushenberg this week. What Blumenberg has apparently failed to take into account is that he is now in the arena with the big boys. He is no longer duking it out with Griffith Town Council President Rick Ryfa, who has been a thorn in Blumenberg's side for ages but who was unsuccessful in an attempt to get the assessor's office eliminated last year. Despite having numbers and statistics and data on their side, Ryfa and his fellow Griffithites watched as 81 percent of the voters opted to retain the Calumet Township assessor's office as a political entity. Of course, the 81 percent were largely from Gary -- the only other incorporated municipality in Cal Township and the recipient of most of Griffith's contributions. I've already hashed and rehashed why Griffith can't by itself continue to support poor relief to Gary, and poor relief is the main *raison d'être* for the assessor's office in Cal Township. It's an anchor dragging Griffith to Davy Jones' financial locker. No, Blumenberg is now playing with the boys (and girls) from Indianapolis, and he is going to end up getting his head handed to him. They deal in bottom lines. They are the bean counters, and Blumenberg is coming up short way too many beans. I've never been a big fan of the folks from the state capital coming up to Lake County to tell us how to run our way of life. We are mill rats, and they are all about the bib overalls. But there comes a time when the bib overall-wearing guy needs to stick his pitchfork into the mill rat and say the time has come for reform from the outside. And in Calumet Township, that time is now. ❖

Sylvia Smith, Fort Wayne Journal Gazette: The election of a Massachusetts Republican in a traditional Democratic Senate seat reverberated throughout Washington last week, and Democrats were shaken to their core.



But in the privacy of their man caves at home, some Democratic senators might have uttered a small sigh of relief. The pressure of 60 votes just broke. No longer will Sen. Evan Bayh or other moderate Dems be pressured to hang with the caucus and ensure the critical 60th vote to block a Republican filibuster. Without the 60 votes (which includes two independents who generally vote with the Democrats), Majority Leader Harry Reid can't cajole, strong-arm, persuade, horse-trade or threaten within his caucus. The votes just aren't there. For any legislation to emerge from the Senate, some Republicans will have to be on board. This takes the squeeze off Bayh but also is more likely to produce bills that he's more inclined to support. I'm not suggesting Bayh is glad there is one fewer Democrat in the Senate. But he certainly recognizes that the new makeup will require the White House and the Senate leadership to be more accommodating to Republicans - and Democrats like Bayh - as they cast about for an approach to the health insurance legislation, climate change bill and other issues. ❖

Rich James, Post-Tribune: My guess is that it would be difficult to find a Northwest Indiana Tea Party person who voted for Barack Obama. That is in part why they came out in droves over the last few weeks to jam public forums hosted by U.S. Rep Pete Visclosky. Based on some of the criticism, you would have thought Visclosky was the Antichrist, rather than someone who embarked on his adult life as a seminarian. I suspect they don't know that Visclosky is the son of an ironworker and that the congressman has a deep feeling for those who make a living working with their hands. I suspect they also don't know that NWI is much better off because of Visclosky's service in Congress. At more than one forum, they told Visclosky that he isn't listening to the people -- to his constituents. And at more than one forum, they criticized Visclosky for the way he responded to their questions. If they didn't want an honest answer, I'd venture to say they shouldn't have asked the question. In other words, Tea Party right, Visclosky wrong. Much of the criticism of Visclosky is the result of his support of health care reform. Well, the Tea Party people are against health care reform because, well, because they can be. It is difficult to specifically say why they are opposed to health care reform because we don't yet have a health care reform bill to be against. Maybe it simply is because Obama is for health care reform, so it must be a bad thing. There's a lot of that going around. Or, perhaps the Tea Party people are employed or well-heeled and sitting pretty with a health insurance program. ❖



Daniels welcomes 600 new jobs in Indy

SPEEDWAY - Gov. Mitch Daniels announced Wednesday that two companies will be expanding their business in Indiana, providing Hoosiers with 287 new jobs by the year 2013 (Brownrigg, HPI/Franklin). Express Scripts, a pharmacy benefits management company, and Zipp Speed Weaponry, a racing bike component maker, announced that they will be adding the jobs over the next two years. Daniels said in Express Script's press conference that Indiana is a fine place to do business even in tough times.

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"You fight recession by having the best business climate available. Again today, two great companies in the front rank of their respective industries have chosen the Indiana business environment over all other options," Daniels said in a press release. In 2009 Express Scripts, a Fortune 500 company, acquired Wellpoint's NextRx subsidiaries, which was based out of Indianapolis. Express Scripts, which is headquartered in St. Louis, chose to consolidate its operations in Indianapolis, and will have 182 new positions available by 2012. The company plans to take over and invest \$5.17 million into Wellpoint's NextRx building near Indianapolis International Airport.

George Paz, chairman and chief executive officer of Express Scripts, said that Hoosier employees work hard. "Our employees in Indiana are taking the lead in providing our specialty patients and clients with unparalleled service," said Paz in a press release.

In the press conference for Express Scripts, Daniels said that he had worked with the company when he worked at Lilly, and that they are



an honest and reliable firm. "I used to do business with them in all my years at Lilly and this has been one of the great, great contributing positive forces in health care for a long time... Their business is reducing the cost of medications, but increasingly also helping patients use the medications to maximum positive effect," Daniels said.

Zipp Speed Weaponry plans to devote \$12.4 million for a new building on the northwest side of Indianapolis. In Zipp Speed Weaponry's press conference, Daniels said that the company was special because it started in Indiana, and that it has set a wonderful example for other Indiana-born companies. "Homegrown companies have a special affection in our heart, and you are one...Here's a company born and bred right here that is absolutely the best in the world at what they do...This is Indiana's future...The future we imagine for our state is hundreds of companies who take your example," Daniels said.

In order to make Indiana more appealing to both of these companies, the Indiana Economic Development Corporation [IEDC] offered each company performance-based tax credits as well as training grants ranging from \$50,000 up to \$2.95 million.

Obama cites Elkhart

ELKHART

- Elkhart County played a part in President Barack Obama's first State of the Union address, and it played an even bigger part in one major network's coverage of the speech (Weinhold, Elkhart Truth). Just a few minutes into his nationally televised remarks Wednesday, Obama mentioned

Elkhart, along with Galesburg, Ill., as examples of places in America he's visited that are hurting economically. The reference brought smiles to the faces of some of the county residents ABC News had assembled at a Keystone RV Co. facility here. The network gathered more than 15 people -- many of them unemployed -- at the U.S. 33 building to watch the speech, then offer their reaction live on TV afterwards. "They let us know it's a lot of set-up for maybe one or two minutes," said Bob Martin, who recently took over as Keystone president. "It is what it is. It's been very good."

Hamilton, Kean critical of Obama on terror

WASHINGTON - President Barack Obama did not devote enough attention to fighting terrorism last year because he was distracted by legislative battles over healthcare and climate change, the former chairman of the 9/11 Commission said Tuesday (The Hill). Thomas Kean, a former GOP governor of New Jersey who led the National Commission on Terrorist Attacks Upon the United States after Sept. 11, 2001, urged Obama to step in more quickly to resolve turf battles between intelligence agencies. "In a way, this Christmas Day bomber did



us a favor because everyone talking about healthcare, cap-and-trade - and I think everyone from the president on down got a little distracted and things got a little off track," Kean said Tuesday in testimony before the Senate Homeland Security Committee. "Now I think we got a wakeup call," he added. Lee Hamilton, the 9/11 Commission's former vice chairman, also criticized Obama for not putting more emphasis on fighting terrorist attacks. He said if Obama does not step in, tensions between the CIA and Office of the Director of National Intelligence (ODNI) could intensify. "The intelligence community is relatively new to the president," said Hamilton, a former Democratic congressman from Indiana. "My impression is his instincts are probably good but he is still kind of feeling his way. I do not think he has a firm grasp yet of the intelligence community. Therefore, I'm pretty strong in my thought that he has to step in pretty hard here or some of these tensions that have surfaced will be exacerbated."

Elkhart officials embrace townships

ELKHART - You won't hear harsh words from officials here about township government, notwithstanding a pair of state legislative proposals threatening the governmental unit's future (Elkhart Truth). In a place like Elkhart County "it's an important part of our structure, critical," said County Commissioner Mike Yoder. If townships were eliminated and their duties shifted to county government, the current slate of township trustees would likely have to be hired by the county to oversee the functions, Yoder suspects. The county apparatus just doesn't have the ties trustees have in their jurisdictions, connections vital in handling one of their key functions, determining who should get the poor relief they dole out. Beyond that, there's the question of whether such

a move would even save money or be more efficient. "We're all for better government at a lower price," said Nappanee Mayor Larry Thompson. Axing township government "is not better government at a lower price. Somebody has to do the math."

Gay Hoosier sites with First Lady

FORT WAYNE - Trevor Yager was keen to hear several things during President Obama's State of the Union speech Wednesday - what new policies might affect his business, and his plans to deal with legislation that particularly affects gay men and lesbians (Fort Wayne Journal Gazette). The Indianapolis advertising executive was among the 26 people whom first lady Michelle Obama invited to watch the speech with her from the House chamber, selected because of the success of his business and because he is gay. "I fit several demographics," he said as he walked through the halls of the Capitol hours before the Wednesday night speech. Traditionally the president's wife invites people to attend the State of the Union speech in the section of the House chamber reserved for her. Modern presidents have frequently taken note of a few of those guests to give real-life examples to policies. Yager, 35, was intended to highlight a success story of a small business that benefited from the Obama administration's economic programs. But he was chosen also because he is gay, and he thinks he is the first openly gay person who will be a special guest at a State of the Union address. "I'm a gay man but also an American," he said. "There are so many people like me. I'm not an anomaly."

Bayh urges 'crippling' sanctions on Iran

WASHINGTON - U.S. Sen. Evan Bayh and a bipartisan coalition of colleagues today warned President

Obama that his own year-end deadline for diplomacy with Iran has now expired, and it is therefore time to impose "crippling sanctions" against the regime. Given continued Chinese obstruction to sanctions imposed at the UN Security Council, Bayh urged the President to make use of existing authorities under U.S. law to pursue "parallel and complementary" measures to increase pressure against Iran. Bayh also urged swift passage of new, comprehensive sanctions legislation currently pending before the Senate, which includes Bayh-authored sanctions on the sale of refined petroleum to Iran.

Chamber skeptical of Obama spending freeze

INDIANAPOLIS - The state's largest business advocacy group hopes President Barack Obama's State of the Union Address will focus on jobs, innovation and an agenda that is "more favorable to business." Indiana Chamber of Commerce Vice President for Federal Relations Cam Carter says the administration has misread its mandate by focusing on large government programs at the expense of jobs and the economy. "I'd like to see him talk about research and development and innovation, which has been the strength of the Indiana economy for a long time," said Carter. (Inside Edge)

Buncich files for Lake County Sheriff

CROWN POINT - There were no surprise candidates for Lake County sheriff Wednesday (Dolan, Times of Northwest Indiana). Former Lake County Sheriff John Buncich officially filed Wednesday to run for the position. Buncich told a standing-room-only crowd of supporters at Merrillville's Slovak Club on Wednesday night: "I am not a career politician or an office-jumper. The office of sheriff is a not a political prize. It's a law enforcement agency."