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John DiStaso's Granite Status: Caroline Kennedy, Rob Portman to visit NH;

Foley gets key NHGOP post; Lynch bans state-based insurance exchange

By JOHN DiSTASO

TUESDAY, JUNE 19, UPDATED: CAROLINE HEADED TO NH. Caroline Kennedy will campaign for President Obama in the Granite State on June 27 and 28, an Obama campaign official confirmed tonight.

She will attend grassroots events. Details have yet to be nailed down.

(Earlier updates and the full Granite Status follow.)

TUESDAY, JUNE 19, UPDATE: PORTMAN HEADED TO NH. The Granite Status has learned that a U.S. Senator believed to be on Mitt Romney's short list of possible running mates is slated to come to New Hampshire next month to raise money for state Republicans.

Ohio U.S. Sen. Rob Portman has been confirmed as the featured guest at a New Hampshire Republican Party fund-raiser on July 7 in Concord. The venue has yet to be determined.

Tuesday night, ABC news listed New Hampshire U.S. Sen. Kelly Ayotte as a potential Romney running mate, along with Portman, Florida U.S. Sen. Marco Rubio, former Minnesota Gov. Tim Pawlenty and Wisconsin U.S. Rep. Paul Ryan.

Also Tuesday, the Status learned that the NHGOP executive committee late Monday night unanimously chose Jim Foley to succeed Bill Binnie as the party's finance committee chairman. Binnie resigned the post last week but remains on the finance committee.

Foley is chairman of the Derry Republican Committee and had been the state finance committee vice chairman before being elevated to chairman.

Portman was elected to the Senate in 2010 after serving as a member of the House for 12 years, as Director of the Office of Management and Budget and as U.S. Trade Representative during the George W. Bush administration.

He is known in Washington as a fiscal and social conservative.

(Earlier updates and the full June 14 Granite Status follow.)

TUESDAY, JUNE 19, UPDATE: NO STATE-BASED EXCHANGES. Gov. John Lynch this week signed into law legislation prohibiting state agencies from setting up a state-based insurance

exchange as called for in President Obama's Affordable Care Act, but allowing the state to cooperate with the federal government in the creation of a federal exchange.

The compromise bill that passed the House and Senate in late May “does not prevent the state from participating in a federal health exchange,” which is why Democrat Lynch signed the bill, said his spokesman, Colin Manning.

Manning also said that according to the state Insurance Department, “At this point it may be too late for the state to create its own exchange, anyway.”

Under the Affordable Care Act, which is now under review by the U.S. Supreme Court, if a state does not set up its own health care exchange, the federal government will step in and do it.

Lynch's decision to sign the bill appears to be a reversal of the position he took in his final State of the State address.

“A well-designed health insurance exchange can make it easier for businesses to compare and obtain affordable health insurance,” Lynch, who is not seeking a fifth term, said in that Jan. 31 speech. “And I certainly don't think we want the federal government to design an exchange for us. That is why must move forward now with designing our own exchange right here in New Hampshire.”

The original version of the bill prohibited the state from both setting up its own state-based exchange and helping the federal government establish one, according to chief sponsor Rep. Andrew Manuse, R-Derry.

That version passed the House in a lopsided vote, mostly along partisan lines. The Senate first considered sending it to interim study since the Affordable Care Act was being challenged in the courts.

But after some negotiating among Manuse, Sen. Ray White, R-Bedford, and insurance department officials, the final version passed both the House and Senate.

Manuse said insurance department officials were looking for direction on how they were to deal with the Affordable Care Act.

“We made it really clear to them that they were to resist implementing the federal law at every possible turn, however, they may work with the federal government on certain components of the Act” that have been cleared by a new legislative oversight committee.

Manuse said, “The bill's statement of purpose essentially says it is not our intent to cooperate. It is our intent to do the minimal amount that we have to in order to avoid any additional costs to our citizens.”

He said that by banning the implementation of a state exchange, “We're forcing the federal government's hand to come up with something on their own,” such as a federally-facilitated exchange.

“Those hybrids are completely run by the federal government, and the whole facade has been lifted,” said Manuse. “There is really no difference between a hybrid exchange and a state exchange, so the next task is to resist a hybrid exchange.

“Under a state exchange the federal government would be running the thing anyway, but we would be footing the bill,” said Manuse. “And it's my intent with this bill that we don't spend a penny on this, and if the federal government wants to force us to do it, they will have to do that themselves.”

The bill also sets up regulations that Manuse says show that even if a federally-facilitated exchange is set up, “It’s our intent to preserve free market health insurance in New Hampshire and it goes into detail on what that means.”

“It is a major change for him,” Manuse said of Lynch. “But I think it was because the Insurance Department was satisfied that at least it gave them direction.”

He said he had expected Lynch to let the bill become law without his signature, rather than sign it.

“His signing it is ceding to the people who elected a very strong Republican Legislature in part because of the ‘Obamacare’ law and a desire to resist it. The governor has allowed the people’s voice to be heard in New Hampshire,” said Manuse.

Jennifer Patterson, legal counsel at the state Insurance Department, said the new law “is and isn’t” a blow to the goal of the Affordable Care Act as it relates to New Hampshire.

She said that indeed the new state law prevents the state from setting up its own insurance exchange, which is a requirement of the ACA in each state.

But on the other hand, she said, “As a practical matter, New Hampshire wouldn’t be setting up its own exchange, anyway, because while the department received planning grant money, we had to give that money back” as a result of 2011 legislation and later action by the Executive Council.

“So, we have not done the planning and it would be impossible for the state to have a state-based exchange in place by 2014,” as required by the federal law, she said.

But Patterson said the new law enables the state to participate in a “partnership exchange” with the federal government, which will allow the insurance department to regulate the plans offered on the exchange.

Patterson said that as a result, the “technology and individual mandate pieces would be done by the federal government, but the actual regulation of the insurance plans that would be sold on the exchange would be something the insurance department would be involved in.”

Patterson said the department supported legislation that would have created a state exchange, which was sponsored by White and the Republican Senate leadership but was tabled and died at the end of the legislative session.

But, given the political reality, she said the department ended up supporting the final bill and recommended that Lynch sign it.

Lynch’s signing of the bill caught the attention of the conservative Cato Institute.

“It is becoming apparent even to members of the party that gave us ‘ObamaCare’ that helping to implement the law by establishing a health insurance exchange is a bad deal for states,” posted the institute’s health policy director, Michael Cannon. “It does not speak well of ObamaCare that Democrats are heading for the exits.”

State Republican Party Chairman Wayne MacDonald called Lynch’s move an example of “ObamaCare’s unpopularity.”

“Democratic Governor John Lynch signed a bipartisan bill to block a key provision under ObamaCare that would balloon healthcare costs for the Granite State,” MacDonald said in a statement.

MacDonald said, “The 2,700 page bill constructed behind closed doors has created chaos and headache at every turn. As states are burdened with more regulations and mandates, the need to

repeal and replace ObamaCare could not be more urgent. Small business owners are facing new taxes, the patient-doctor relationship will now include federal bureaucrats, and states will be facing massive cuts to their healthcare programs to pay for this reckless bill.”

Lynch's action was first reported by NewHampshireWatchdog.org.

(Earlier updates and the full June 14 Granite Status follow.)

FRIDAY, JUNE 15, UPDATE: BIG BUCKS FOR OVIDE. Republican candidate for governor Ovide Lamontagne has had a fund-raising bonanza during the first part of the year.

His campaign told the Granite Status that as of his official filing for governor on Thursday, he had raised more than \$910,000 from more than 1,500 donors, with 88 percent of the the donors from New Hampshire.

A campaign official said it reflects “extraordinary support, especially for someone who is not self-funding his campaign.”

Under state law, political committees are not required to file reports publicly with the Secretary of State's office until June 20 and candidate committees do not have to make their initial filings until Aug. 22.

Two years ago, the eventual GOP nominee for governor, John Stephen, filed a report in June which showed he had raised nearly \$665,000.

Gov. John Lynch filed his first report in August 2010, showing he had raised \$1.3 million at that point.

Lamontagne is on a pace to come close to, if not surpass, Lynch's August 2010 figure.

The Lamontagne campaign said it has spent money only to set up a campaign infrastructure and has “well over a half-million dollars” on hand.

(Earlier updates and the full June 15 Granite Status follow.)

FRIDAY, JUNE 15, UPDATE: “WELCOME,” MITT. The Democratic National Committee “greeted” Mitt Romney on New Hampshire's Seacoast on Friday by launching their own bus tour.

The DNC will shadow Romney's “Every Town Counts” bus tour in six states with one called “Romney Economics: The Middle Class Under the Bus Tour.”

It began earlier today in Exeter, about two hours before Romney began his tour by speaking at former House speaker Douglas Scamman's farm in Stratham.

Local Democrats featured were House Democratic leader Terie Norelli and David Lang, president of the Professional Firefighters of New Hampshire.

Also speaking were DNC communications director Brad Woodhouse, a Massachusetts state representative and teacher, and the heads of the two major teachers unions in New Hampshire, Laura Hainey of the AFT and Rhonda Wesolowski of the NEA.

“Mitt Romney returns to New Hampshire today without having proposed a single new idea to grow the economy and strengthen the middle class since launching his campaign there a year ago,” said Obama campaign spokesman Lis Smith. “In fact, not one point of his 59-point economic plan would create jobs now, and independent economists have said his plan would actually make the economy worse.”

After speaking in Stratham, Romney headed to Milford for an ice cream social at the town oval.

The Romney -- and DNC -- tours continue Saturday in Pennsylvania and then in Ohio, Wisconsin, Iowa and Michigan.

(Earlier updates and the full June 14 Granite Status.)

THURSDAY, JUNE 14, UPDATE: OBAMA TO RETURN. Illustrating New Hampshire's role as an important, if small, swing state in the presidential election, President Barack Obama plans to return on Monday, June 25, while Republican challenger Mitt Romney will be in the state on Friday.

An anonymous Obama campaign official told the Granite Status Thursday afternoon the President will speak at a campaign event in Strafford County. More details will be released as they become available.

Obama was last in New Hampshire on March 1. It was a taxpayer-funded official visit to Nashua Community College, where he spoke about gasoline prices and called for an end to subsidies for the oil industry.

Vice President Joseph Biden has visited New Hampshire four times this year.

Romney is scheduled to speak on Friday at former House speaker Douglas Scamman's farm in Stratham and at an ice cream social at the Milford oval. It will be his fourth visit to the state since he kicked off his general election campaign in late April.

Earlier updates and the full June 14 Granite Status follow.)

THURSDAY, JUNE 14, UPDATE: RNC MAILING; AFL-CIO PROTEST. As a Republican National Committee's general election fund-raising letter hit New Hampshire mailboxes this week, the AFL-CIO planned a protest outside of the site of Mitt Romney's scheduled speech in Stratham tomorrow and a new ad attacked Romney on his days at Bain Capital.

The four-page RNC letter, ostensibly from Romney, lays out his standard campaign pitches _ his business background, his record as Massachusetts governor and his criticism of President Barack Obama's "failed leadership" _ and seeks money to fund RNC "Victory" offices in New Hampshire and elsewhere and "promote our conservative agenda."

Priorities USA, a pro-Obama Super PAC said Thursday that when Romney arrives Friday, it will air an ad focusing on the Holson Burnes Group, Inc., of Claremont, which closed its doors and laid off workers about 20 years ago after being taken over by the Romney-led Bain Capital.

Meanwhile, the New Hampshire AFL-CIO is organizing a protest of Romney outside of former House Speaker Douglas Scamman's Bittersweet Farm on Friday morning, when Romney is scheduled to speak to supporters during the first stop in a six-state bus tour.

Romney will then head to Milford for an ice cream social on the town oval.

Protesters will focus on Romney's comments last week criticizing President Barack Obama for indicating that there should be continued cutbacks of the public employee workforce. Protesters will also pose questions about how Americans should deal with fewer police officers and fire fighters and with larger class sizes in schools.

(The full June 14 Granite Status follows.)

THURSDAY, JUNE 14: FEDERALLY-FUNDED BACKDROP. When Mitt Romney last came to New Hampshire in May, he used the Sawyer Bridge in Hillsborough as a backdrop and cited it as

an example of Obama administration waste.

The “bridge to nowhere” — literally — was preserved with the help of a \$150,000 Obama stimulus program grant, but it is also viewed by many in town as a historic site worth the expenditure.

When Romney formally announced for the presidency about a year ago, and when he returns to New Hampshire tomorrow to kick off a six-state tour, he'll be speaking at former House Speaker Doug Scamman's Bittersweet Farm, surrounded by picturesque rolling farmland.

But 200 acres of that farmland will be forever protected from development thanks in part to \$950,000 federal Farm and Ranch Lands Protection grant the town of Stratham received several years ago.

Is it hypocrisy on Romney's part? Some Democrats think so.

But Stratham Board of Selectman Chairman David Canada, a Republican Romney backer, said the town was just taking advantage of an available federal program and Romney shouldn't be blamed for speaking there.

Canada said the grant was nearly half of the \$2.35 million spent by the town to purchase a conservation easement from the Scammans in 2010. He said the grant did not protect the 12 acres where Romney spoke, and will speak tomorrow, surrounding the Scamman homestead.

Canada said he's seen the Sawyer Bridge, “and it's a beautiful structure. Is it worthy? It may well be. I'm on the Heritage Commission in Stratham and if the bridge were in our town I'd hate to see it fall down from neglect.

“On the other hand, conservation easements provide so much pleasure for everybody on a grand scale that maybe it's a different animal,” said Canada.

“I don't criticize the governor for pointing out that we need to pull back in places,” Canada said. “He used the bridge as one example. He might very well feel that the Farm and Ranch Lands Protection grant needs to be pulled back, too.

“All these things are worthy, but can we afford them all? We can't afford every worthy endeavor.”

Romney spokesman Ryan Williams accused the Barack Obama campaign of “recycling the same tired attacks” that were reported when Romney announced for the presidency.

That was before Romney went to the Sawyer Bridge, of course, but no matter, said Williams.

“The Obama administration is proposing more of the same liberal economic policies that have failed to create jobs,” Williams said. “Unemployment has increased from 7.8 percent to 8.2 percent under President Obama because his big-government agenda — including the \$787 billion stimulus boondoggle — has not put people back to work. Unlike President Obama, Mitt Romney understands that the private sector is not 'doing fine' and he will promote pro-growth policies that will turn around our struggling economy.”

Romney supporters say stimulus money was not involved in the Scamman farm deal, as it was in the Sawyer Bridge protection, and that Romney is not against all forms of federal funding.

“If he were to stay away from anything that's federally funded, he couldn't drive on a federal highway,” one backer deadpanned.

ICE CREAM ON THE OVAL. After Romney and wife Ann appear at the Scamman farm they'll board their campaign bus and head to Milford for an ice cream social on the town oval.

Romney will then head to Pennsylvania.

GATSAS FOR ROLECEK. Restaurant owner Chuck Rolecek has picked up a major endorsement in his bid for the District 4 Executive Council seat.

Manchester Mayor Ted Gatsas today will back Bedford resident Rolecek over state Sen. Tom DeBlois of Manchester and Hillsborough County Treasurer Bob Burns, also of Bedford, in their Republican primary race.

Democrat Chris Pappas is also running for the seat being vacated by Republican and former Manchester Mayor Raymond Wieczorek.

Gatsas says, "Both as a successful small-business man and as a volunteer, Chuck Rolecek has made significant contributions to his community. Chuck offers the experience that's required on the council."

A "humbled" and "very grateful" Rolecek called Gatsas "a model public servant who has a tremendous record" in office.

Rolecek, who is making his first bid for public office, owns the Hanover Street Chophouse and owned the former C.R. Sparks in Bedford. He chairs Fix It Now New Hampshire, a group of business people who have worked in partnership with Millennium Gaming, which holds an option to buy Rockingham Park, to try to bring expanded legalized gambling to the state. He said that if elected, he would step down from the post and would not advocate for expanded gambling.

WHO CAN BLAME HIM? Who can blame District 2 Republican Executive Councilor Dan St. Hilaire for not seeking reelection to a seat that has been re-drawn by the Republican Legislature to be heavily Democratic?

It was done that way to "contain" the Democrats in one council district in the hope of guaranteeing a 4-1 GOP majority on the council forever — or at least until Ray Burton retires, when District 1 could become competitive.

As of Wednesday, no Republican had stepped up to file for the District 2 seat, although former councilor Peter Spaulding and former state Senate President Tom Eaton are said to be toying with the notion.

After the filing period closes tomorrow, the political parties have until next Wednesday, June 20, to file candidates for unfilled seats.

Democrats in the race include long-time activist and former congressional campaign manager Colin Van Ostern, who's raised more than \$120,000, former councilor John Shea and former Rochester state Rep. Shawn Mickelonis.

A top Democrat points out that even in the worst recent years for Democrats, the party's candidates won what is now District 2 handily.

In 2010, a down year for Democrats, the Democratic congressional candidates won the communities in the new District 2 with nearly 55 percent of the vote.

In 2002, a down year for Democrats, Jeanne Shaheen, while losing the statewide election for the U.S. Senate, won the new District 2 with just more than 55 percent.

In 2004, which was pretty much evenly split, Gov. John Lynch won what is now District 2 with 57 percent of the vote, while presidential candidate John Kerry received 60 percent.

FROM SHERIFF TO SENATE? Republicans have found someone they believe can be a contender in a Democratic state Senate stronghold in 14-year Cheshire County Sheriff Richard “Dick” Foote, who filed Wednesday for the District 10 seat held by Democrat Molly Kelly.

Juliana Bergeron, former chair of the Cheshire County Republicans and current Republican National Committeewoman-in-waiting, said she recruited the well-known Swanzey Republican.

“I’ve been calling him ‘senator’ for a month,” she said. “He’s very well-known and well-liked. I think we are not just filling the seat. I think we have a contender.”

Foote said, “It was a hard decision for me. It’s a big change from what I’ve been doing, but there needs to be some change at the state level. We need fiscal responsibility.

“I decided I had accomplished everything I had come to the sheriff’s office for,” Foote said, “and I thought there was a good chance if I ran for the Senate to get in there as a conservative Republican.”

THE PARTY PERFORMANCE INDEX. Winning Senate District 10 will be a tall order for Foote or any Republican.

Especially as re-drawn under redistricting, it’s one of the safest Democratic Senate seats in the state, at least on paper.

Based on Democratic performance in those communities in top races in recent years, District 10 has a Democratic Performance Index (DPI) of 65 percent. Parties view any seat with performance index of more than 55 percent safe and any seat with a performance index of less than 45 percent a lost cause.

Any seat that comes in between 45 percent and 55 percent is considered a battleground.

Senate districts, 4, 5, 10, 15 and 21 are all over 55 percent DPI, making them safe Democratic seats, while districts 14, 19 and 22 are all under 45 percent, making them safe Republican seats.

From the Democratic perspective at least, that leaves the other 16 districts as battleground seats.

The two congressional districts, not surprisingly, are in the 50 percent range, making them true toss-ups.

BAIN "VICTIM" TO CAMPAIGN. Randy Johnson, a worker laid off from an Indiana company after the Romney-led Bain Capital took it over, will campaign in New Hampshire June 27, speaking to voters in Littleton, Conway, Plymouth, Berlin and Laconia.

The Obama campaign says he will talk about "the real life impact of 'Romney Economics,'" which is "doing whatever it takes for Romney and his investors to profit, regardless of the cost to workers, companies and communities."

Johnson worked at an American Pad and Paper (AMPAD) plant in Indiana that was bought by Bain Capital in 1992 and later closed.

BIG FILING DAY. Today, Flag Day, will be busy at the Secretary of State's Office when among those filing for office will be Republican candidates for governor Ovide Lamontagne and Kevin Smith, as well as Democratic candidate for governor Jackie Cilley, Democratic District 4 Executive Council candidate Chris Pappas and District 9 state Senate candidate Lee Nyquist.

Nyquist, by the way, tells us he has already raised more than \$50,000 from 283 individual or corporate donors.

Democratic candidate for governor Maggie Hassan, says she will file tomorrow.

QUICK TAKES:

-- The Republican National Committee's Victory office in Bedford has a new communications director. Tommy Schultz, a Stanford University graduate, in 2010 worked on Meg Whitman's campaign for governor of California and managed a Victory office in Tennessee. His most recent job was with CRC Public Relations of Virginia.

-- Former Sen. John E. Sununu will host a "Grassroots Giver" fund-raiser for the NHGOP on June 23 at the Snow Shoe Club in Concord.

-- Cilley has picked up the endorsement of the 450-member International Brotherhood of Electrical Workers Local 490.

-- Hassan this week was backed by the Communications Workers of America Local 1400 and announced a 30-member Upper Valley Steering Committee.

-- Veteran state Rep. Sherm Packard endorsed Smith for governor.