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Margaret Anderson- Kelliher's comments on PolyMet and the Range, etc.

## Kelliher seeks to unite all Minnesotans

*DFL gubernatorial candidate looks to Range for support*

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VIRGINIA — House Speaker Margaret Anderson Kelliher believes she is the candidate who can not only unite her party, but also all Minnesotans.

"I'm somebody who brings people together ... to get them to come together and work things out. I have done that and I will do that as governor," the DFL-endorsed candidate said during a wide-ranging interview at the Mesabi Daily News on Wednesday.

Her running mate, Minnetonka City Manager John Gunyou, who had served as finance commissioner under Republican Gov. Arne Carlson, joined Kelliher on a two-day campaign swing north from the Twin Cities after the pair officially filed for the Aug. 10 DFL primary on Tuesday in St. Paul.

Kelliher, 42, is a 12-year veteran of the House, who grew up on a farm in Mankato and now lives in Minneapolis.

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Kelliher, who beat back a multi-candidate field to receive the DFL gubernatorial endorsement in late April, faces personally well-financed former U.S. Sen. Mark Dayton and former House Minority Leader Matt Entenza in the primary.

A Minnesota Public Radio News/Humphrey Institute poll last week showed Dayton with a 10-point lead — 38 percent to 28 percent — over Kelliher among likely DFL primary voters.

However, Kelliher said other poll numbers in the contest soon to be released will be more favorable to her. In addition, she pointed to a Rasmussen poll just released on Wednesday that showed Kelliher, Dayton and Entenza all in about a statistical tie with Republican gubernatorial candidate Rep. Tom Emmer.

"I'm feeling good about where we are at. It's going to be very competitive," she said.

Kelliher said the party's endorsement will make the difference in the primary.

"We have a tremendous grassroots team. We have a good organized person-to-person campaign and a statewide network. The value of the endorsement will be very important," she said.

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Kelliher believes the anti-incumbent mood among voters is aimed more at Washington than St. Paul.

"I've seen years where there's been a far worse anti-incumbent feeling. I think that sentiment is more about frustration on the federal level.

"But I understand people's frustrations. They work hard, pay their bills and mortgages and then see corporations getting off scot-free," she said.

Kelliher, whose family struggled to keep its family farm, said she has a special kinship with the Range and its people, who are resilient while often riding an economic roller coaster of ups and downs of mining.

"Growing up on a dairy farm near Mankato, I watched as my mom and dad suffered so through the farm crisis of the 1980s when farm foreclosures were common. At the same time, terrible things were happening on the Range. I understand what the Range was going through," she said.

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While battling for the DFL endorsement through the winter and spring, Kelliher was also leading the political charge against Republican Gov. Tim Pawlenty at the State Capitol over a budget deficit of about \$3 billion. The deficit size grew by about \$2.7 billion after the state Supreme Court ruled the governor's use of the executive branch tool of unallotment to balance the budget had been excessive. Through unallotment, a governor can cut funds approved by the Legislature but not yet allocated to help balance a budget.

And when lawmakers adjourned on May 17, after a 10-hour special overtime session, Pawlenty got most of what he had previously unallotted in a final budget deal.

"Well, that's how they are trying to spin it, anyway," Kelliher said. "He simply stopped negotiating. That's not leadership," she said.

The speaker said if it hadn't been for the DFL leadership, health care cuts would have gone much deeper.

"We didn't cut nursing homes and we got a small reduction in areas where hospitals would have paid more. That's especially important for struggling rural hospitals,"

Kelliher said.

The DFL repeatedly passed legislation calling for tax increases on people at the higher income level in the state, and the governor repeatedly immediately vetoed the measures.

Kelliher said tax increases on people making more than \$250,000 a year after deductions would be the "fairest" way to deal with billions more in deficits the next biennium that awaits the new governor and Legislature in 2011. "It would be a good place to start. Seventy-five percent of the tax increase would fall on people making more than \$500,000 a year after deductions. The middle class has been getting it in the shorts for years," Kelliher said.

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Kelliher's said her campaign is based on basic DFL staples — jobs, health care and education.

"I was the first candidate in the race with a full jobs plan. We need to preserve and create more business in the state. We need to streamline permitting, especially in manufacturing.

"We also need make new markets available for solar, wind and biomass. We need to partner up," Kelliher said.

The speaker said "mining is an important part of our state culture and history and will continue to be so."

Regarding nonferrous mining of copper/nickel/precious metals, Kelliher said, "it needs to be done but done right so that the water and people are protected. We don't want to foul our own nest."

The PolyMet project, now in the final environmental impact statement phase has been in the works for eight years, with five years of environmental review at a cost of more than \$20 million to the company and its investors.

"That's eight years under this governor. We have serious permitting problems with this governor," Kelliher said.

The speaker said a stronger business climate in Minnesota is directly tied to education at all levels.

She said a new K-12 funding formula is necessary. "More reliance on property taxes is wrong."

Regarding higher education, Kelliher said partnerships between business and schools is the key. "We need to ramp that up."

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Kelliher said she "tried to go north" for her lieutenant governor pick and looked at several Range legislators. But she said they are in key and powerful chairman positions in the Legislature and would have had to give up those spots to be on the ticket.

She chose Gunyou for his strong financial background at local and state levels. "That will be incredibly valuable as we deal with budget deficit problems."

Kelliher said that "the Range will be well-represented on our transition team," naming off all legislators in the region.

Mark Dayton's pick of Sen. Yvonne Prettner Solon from Duluth as his running mate "was a good solid choice. I like Yvonne. She has a strong rural background and is connected to rural Minnesota," Kelliher said.

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Kelliher would pick a new Iron Range Resources Board commissioner if elected.

"I want a strong commissioner in place who would create more jobs and economic activity on the Range. I would look to the Range delegation to give me advice on this issue. I would talk with others who have strong opinions.

"All commissioners in all departments need to be qualified to do their jobs. You need a very good team with people of expertise and good people management skills. I think that's lacking in some commissioners now. I'm not criticizing Sandy (IRR Commissioner Layman). It's not a personal shot," Kelliher said.

She said Rep. Rukavina "has not asked for the position. But he wants input. It would be premature for me to even think about who into what position."