

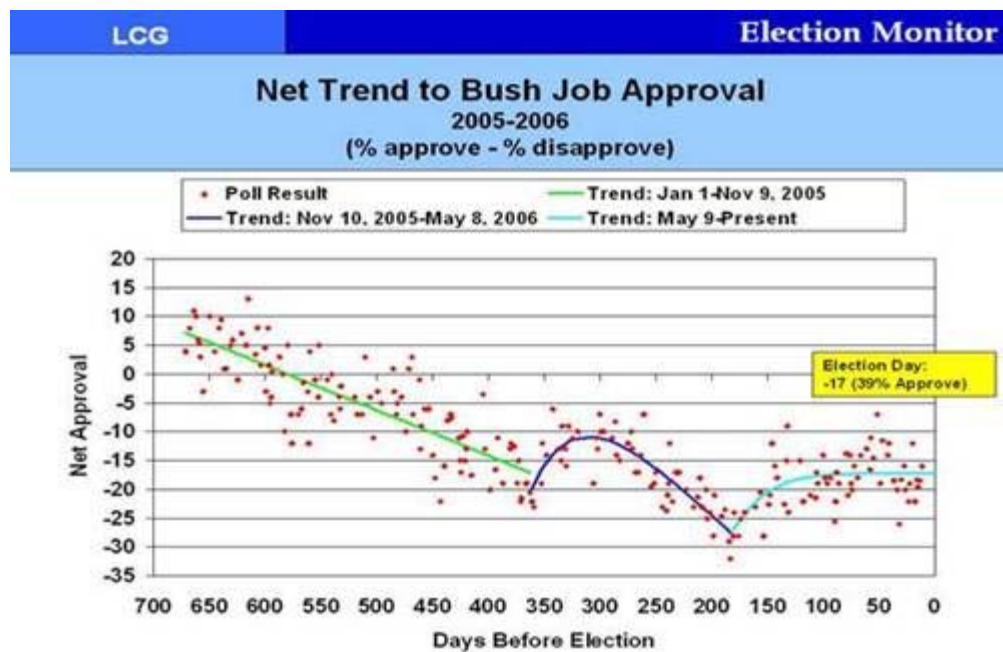
Friends,

Just when we thought we had a handle on this election...on Halloween, John Kerry reappears – like a Democratic boogeyman – and potentially scares swing and GOP non-voters into showing up at the polls next Tuesday. This event is nothing compared to the mega issues of Iraq and Bush’s perceived performance but it may be enough to drive up the Republican vote in some districts by a point or so. In an election where literally two dozen races are too close to call (the polling is within the margin of error)...this could be pivotal.

Let’s be clear: we do not believe the Kerry remarks are going to change the minds of Democrats or even most Independents who oppose the President and the war. But this story does have some legs and definitely has the potential to boost GOP turnout. More importantly, it takes the Democrats off-message in a big way. This is exactly NOT what the Democrats wanted to happen a week prior to the election.

Here is a snapshot look at the current environment:

1. Even before the Kerry flap, we saw Republicans hold their own in the last week, perhaps carrying the week’s news cycle or at least playing the Democrats to a draw. It was the first time in more than a month that the GOP message was starting to break through the clutter. The national debate and dialogue moved off of Foley for the first time in a month and moved to some areas that have the potential to help Republicans, including immigration reform, same-sex marriage bans and stem cell research.
2. Having said that, the previous five weeks of intensely negative news on Iraq and Foley solidified Democratic gains. **The fact is that the Democrats “won” October.** An analysis by the Center for Media and Public Affairs of midterm election stories aired from mid-September to October 22nd on the big three evening network newscasts showed that evaluations of the election favored Democrats by a significant margin. The media focus was on process stories on Foley and Bush and how they negatively impacted GOP chances. The result: Democrats lead in the generic congressional ballot by approximately 10-15 points and are seen as “better” than Republicans on nearly every issue that matters to voters (and many by a significant margin).
3. Foley was important for two reasons: it blocked the GOP message of national security and it crystallized the corruption issue for voters. Republicans were now seen as “bad”. This supplemented some pre-existing notions voters had but could not articulate.
4. **Having said the above...Iraq is really the **only** issue in this election. It has truly served to nationalize this election. October was the worst PR month in the entire history of the war. It probably served as the tipping point for many swing voters. That is why Democratic strategists have to be bonkers over Kerry’s remarks. The comments by Kerry may potentially disrupt the “nationalizing effect” of the Iraq war. If Kerry had made a joke about almost anything else in the world it would not have mattered. This might matter.**
5. President Bush remains a massive liability to Republicans in this election. We have said for more than a year that the President’s approval rating needed to recover to the mid to high 40’s for him to become a “neutral factor” in the mid-terms. It has not. Our own regression model analysis of all publicly available polling data shows that the President’s approval rating will likely be between 39-40%. The President’s net approval rating (percent approve minus the percent disapprove) is -17. This represents a 2-3% drag on all Republican candidates for office in next week’s election.



6. Hard hitting negative/comparative ads being rolled out by Republicans are working. There is evidence that some endangered GOP candidates are recovering and stabilizing because of these ads. They started airing 2-3 weeks out and the polling suggests that they are doing what they always do...dragging down the favorable ratings of the candidates they attack.

While the above points offer a mixed bag of good and bad for each party...the environment is decidedly negative for Republicans. In fact, in many parts of the country – the Northeast and the Midwest in particular – the situation is toxic. We are in a period of severe voter discontent. Two thirds of the American public believes the country is headed in the wrong direction. Even favorable stock market and gas price news have had little impact. An array of polls shows that both middle class and Roman Catholic voters are turning away from Republicans in droves. Does this mean a Democratic wave? We don't think so. Here is why:

- The Democrats have still not offered a competing ideological frame. Voters on election day will be voting against Bush and Republicans and not for Democrats. There is no evidence that voters even understand what the Democrats will do if they gain power. In 1994 voters had some notion of the agenda that Republicans would put forth if elected. Advantage GOP.
- Gerrymandering has given incumbents the edge and this time that will help Republicans. Simply put, it continues to be very difficult for a challenger to win in some of these districts. Give the GOP the “structural” advantage.
- The GOP voter turnout machine is better. We think that Democrats have closed the “microtargeting” gap...but not enough. Advantage GOP.
- Constitutional amendments banning same sex marriage will help Republicans in several states, especially Tennessee. Advantage GOP.

At this point in time Democrats are still likely to take the House. We project a 15-22 seat gain for Democrats. This may change in the coming days but we definitely do not see a 30 seat gain for Democrats. The Republicans will hold the Senate. TN is now tracking toward Corker. In the closest Senate race in the country, Talent will win in Missouri but we may not know this for several days. We think things are trending badly for Allen in Virginia and Kean in New Jersey.

We will have a final snapshot and projections on Monday November 1st.

Steve

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11/1/2006

Lombardo Consulting Group

Election Monitor ©

A Compilation of Publicly-Available Survey Data

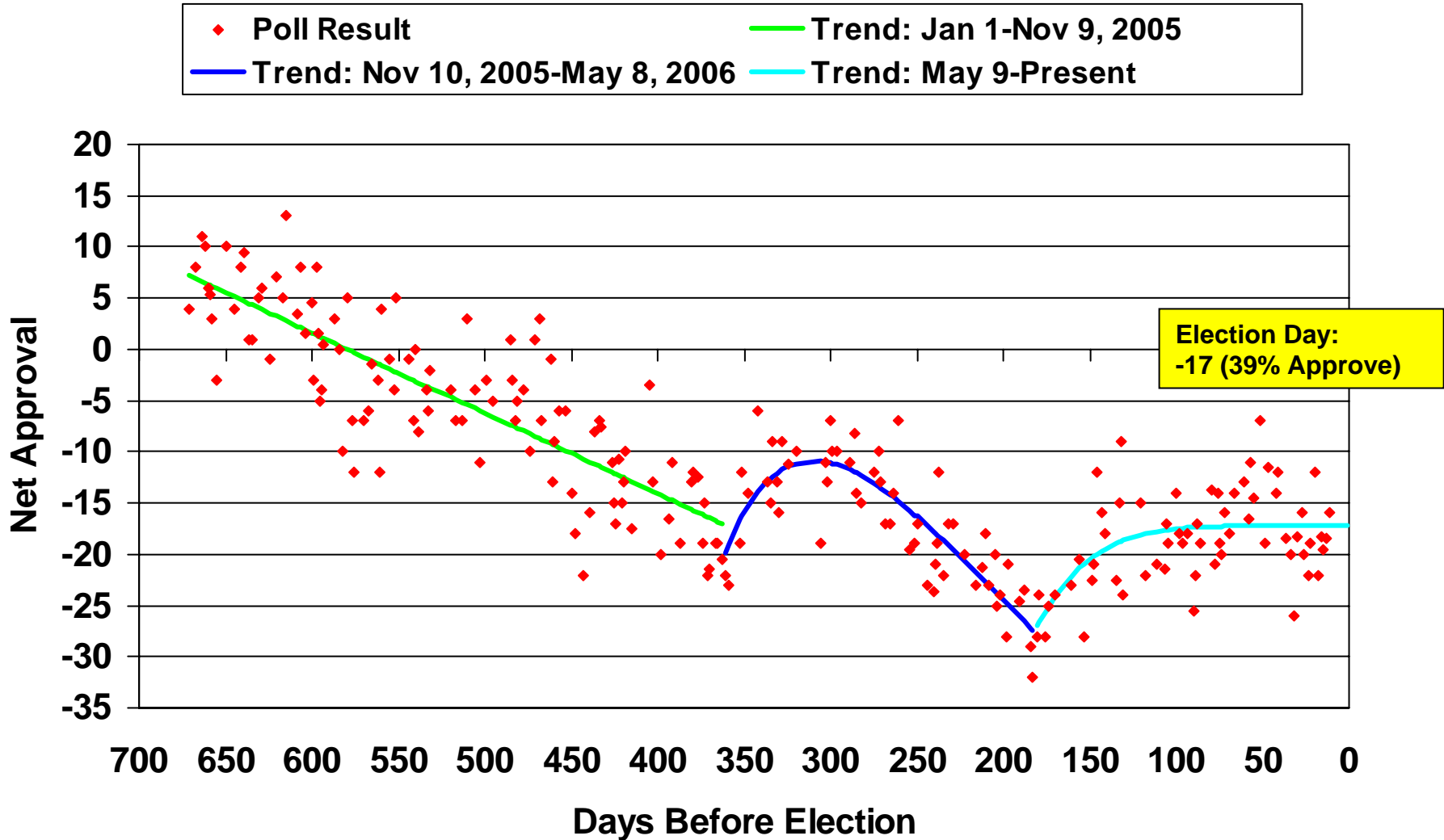
January 1st, 2005 - Present

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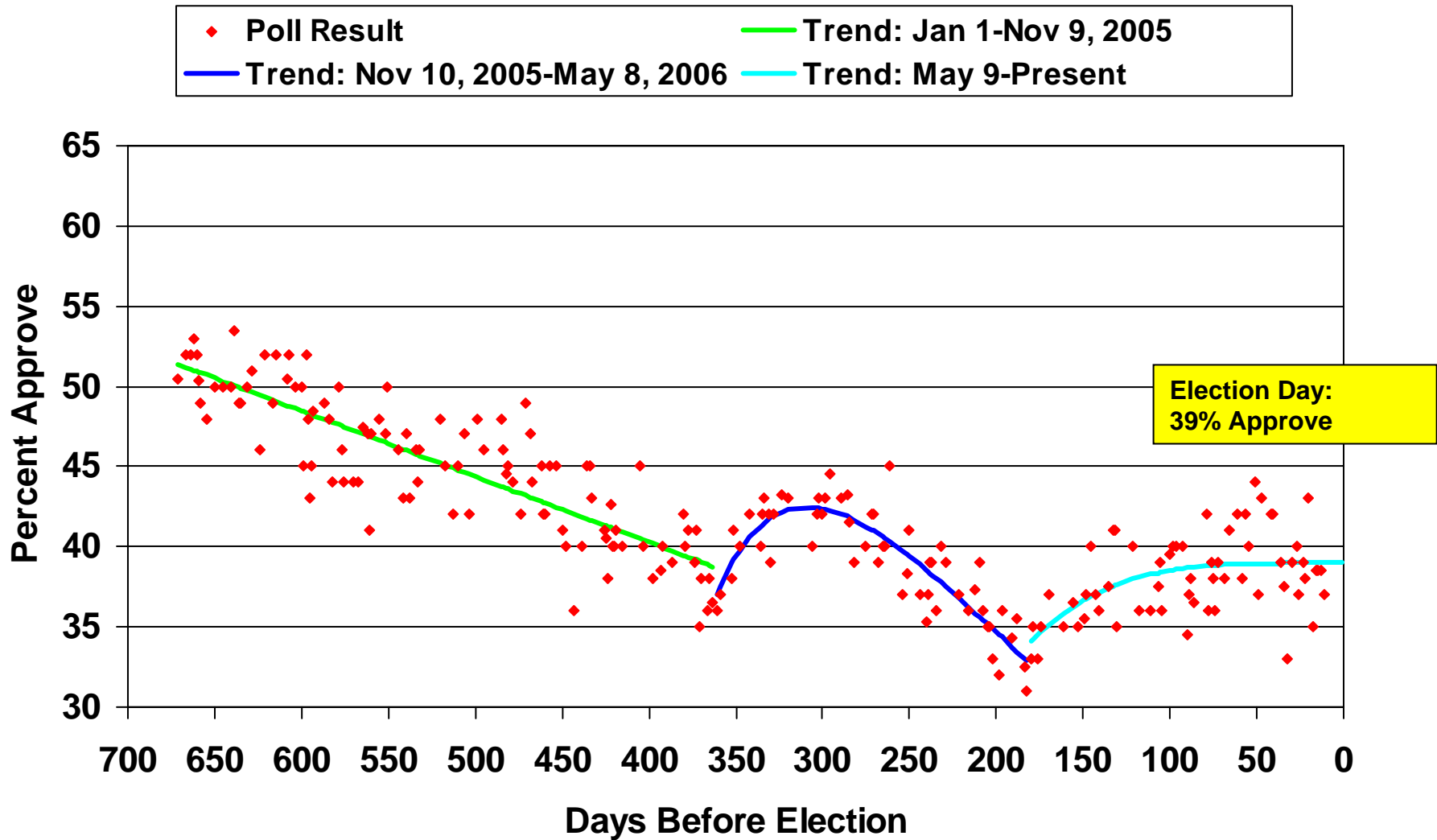
Net Trend to Bush Job Approval

2005-2006

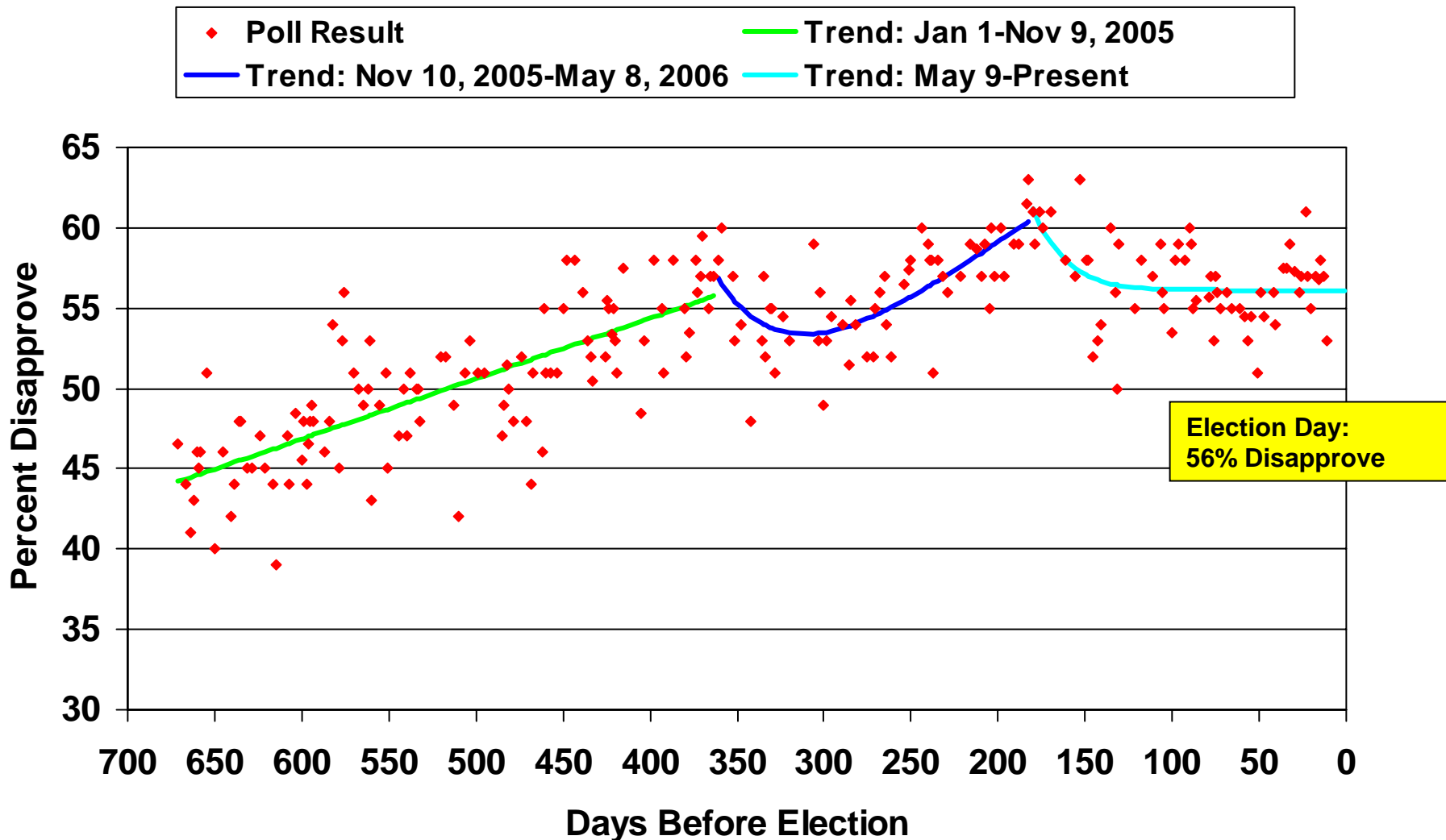
(% approve - % disapprove)



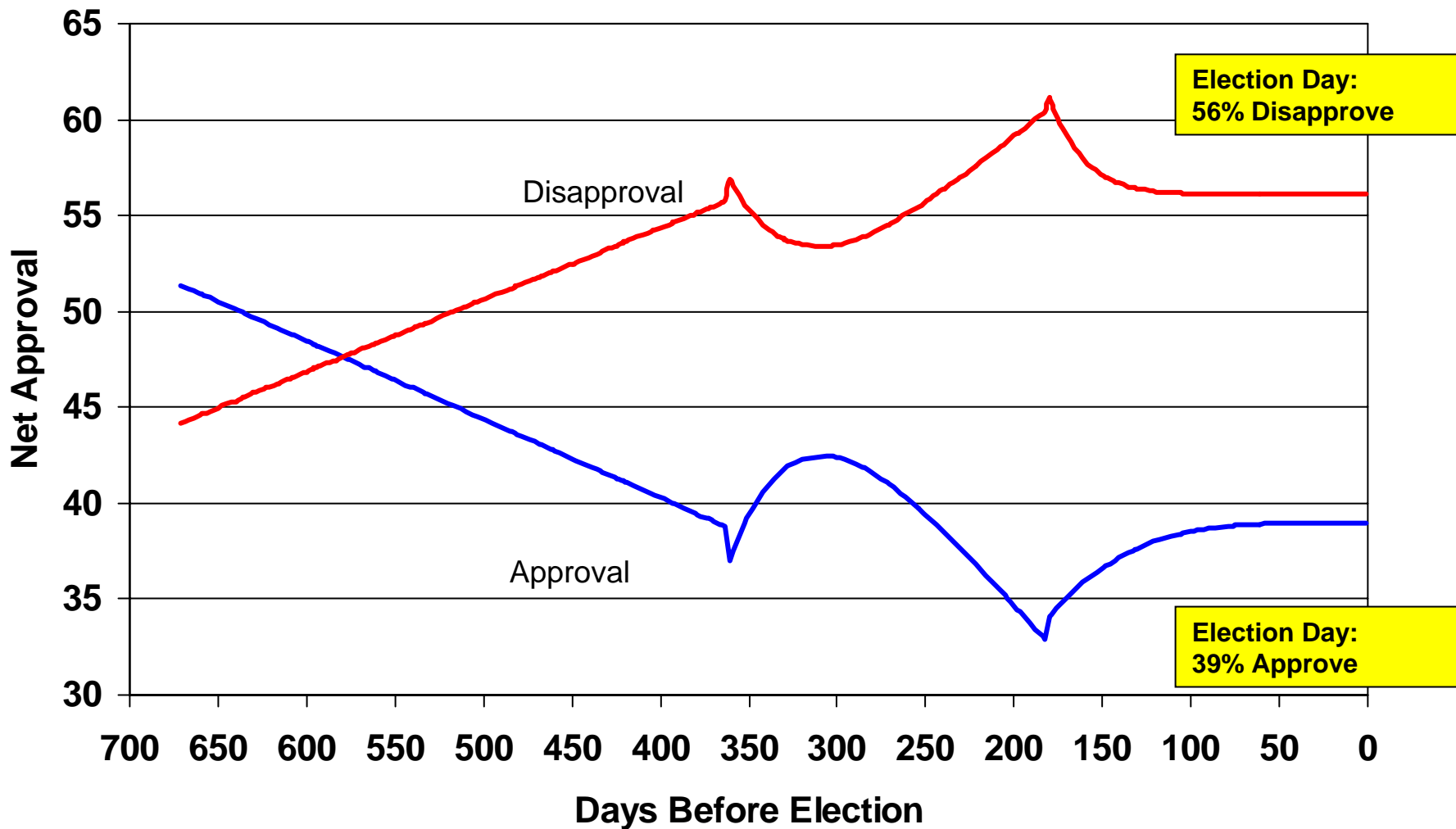
Trend to Bush Job Approval 2005-2006



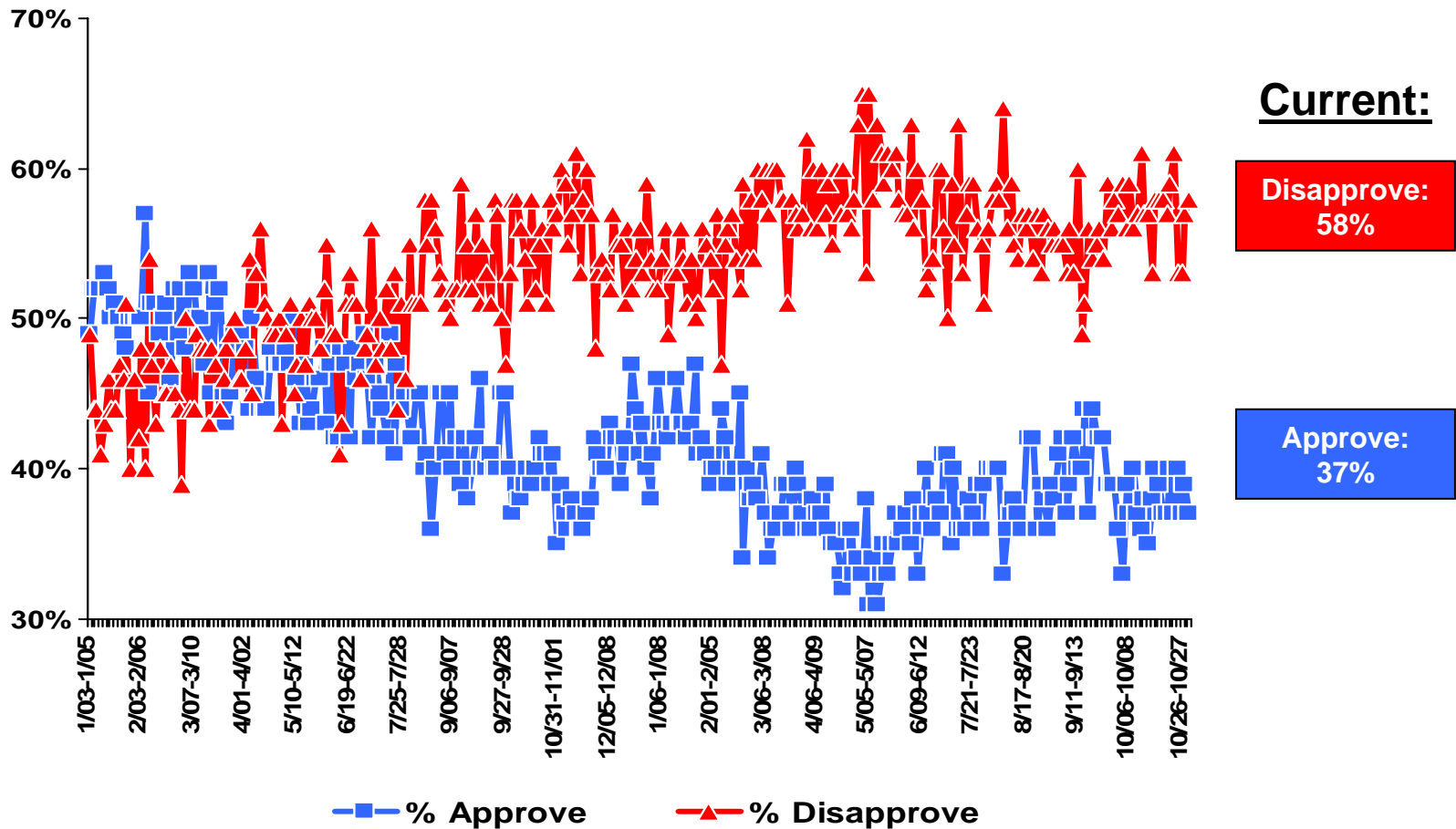
Trend to Bush Job Disapproval 2005-2006



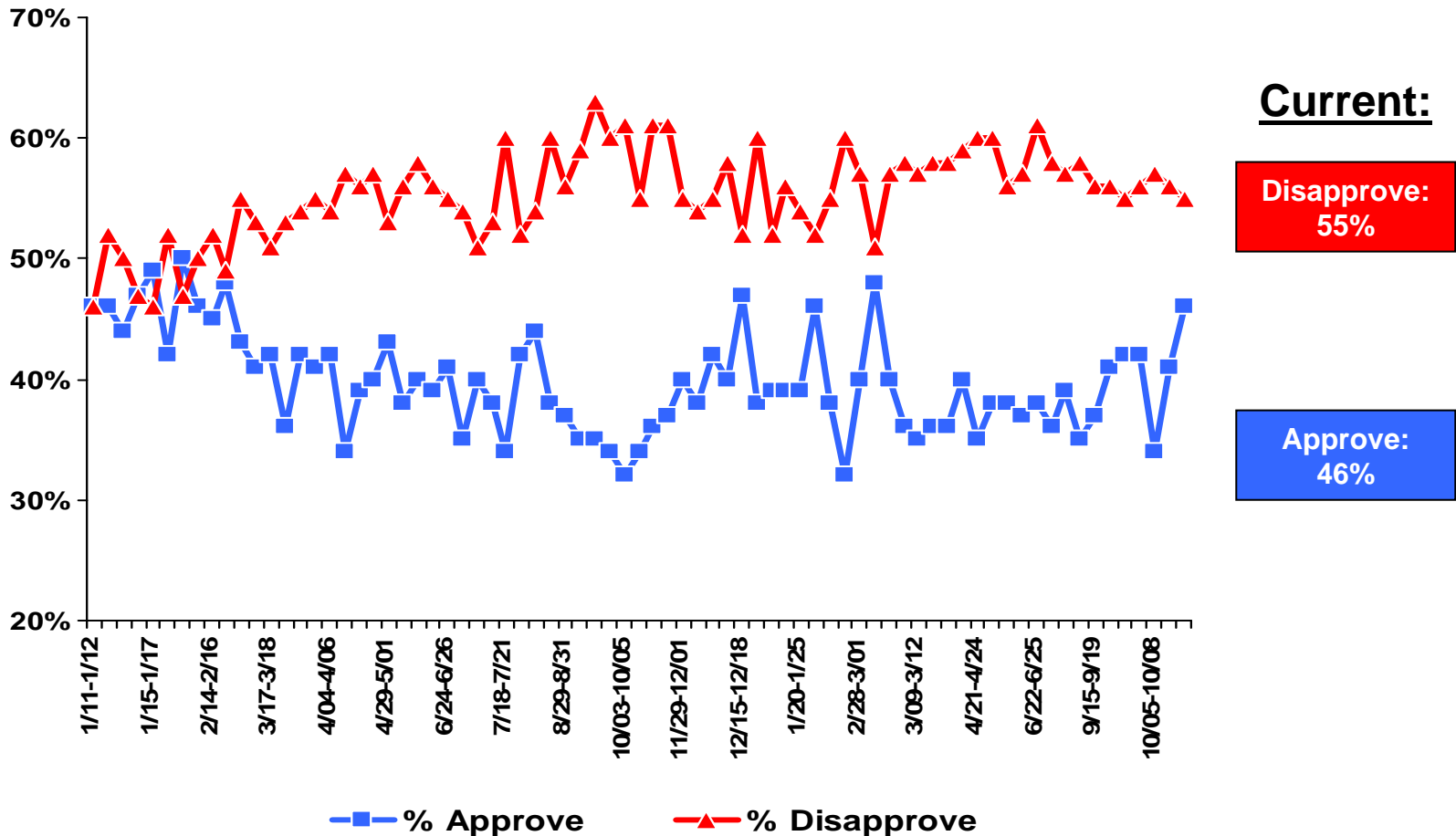
Trend to Bush Job Performance 2005-2006



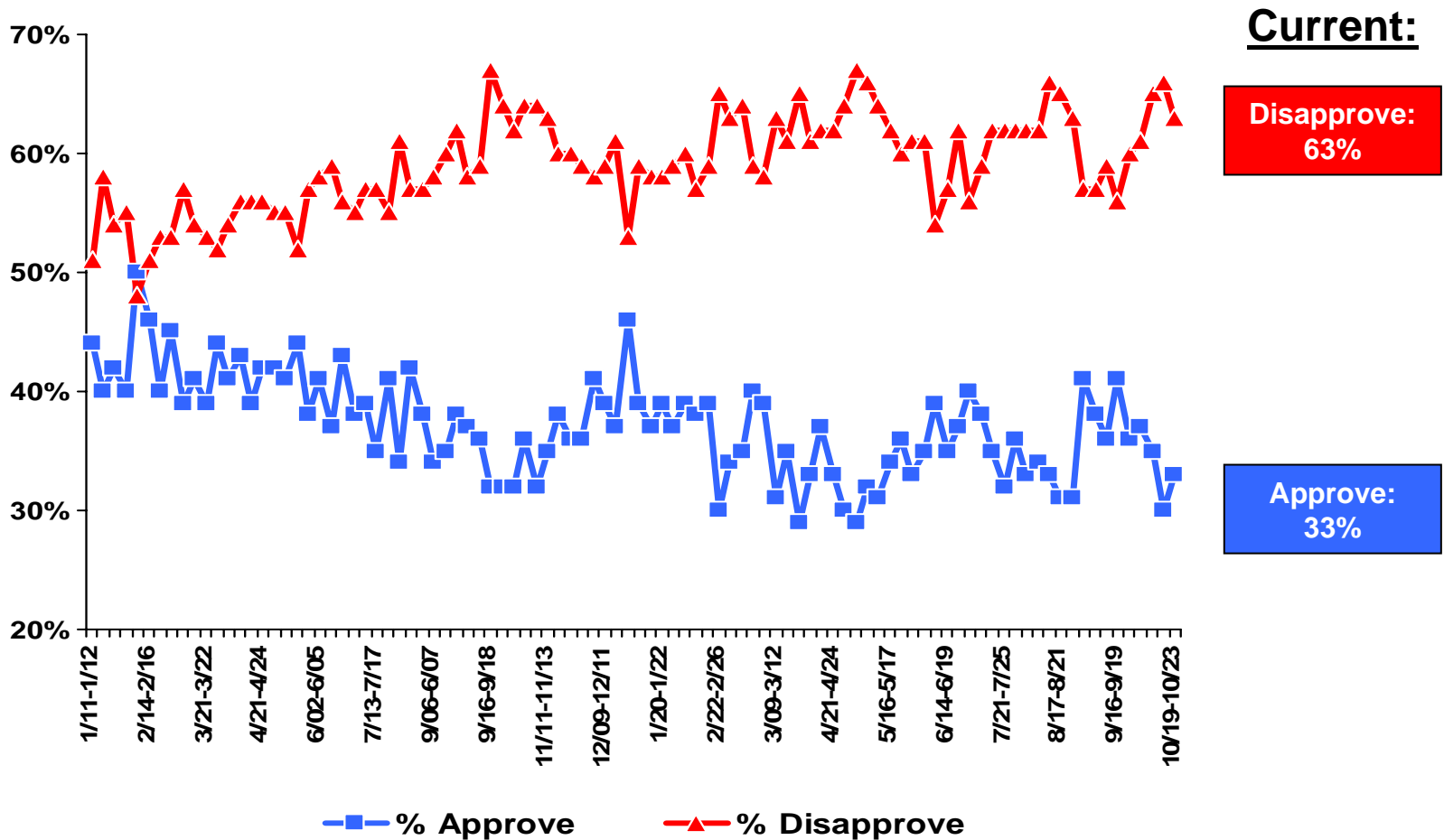
George W. Bush Job Approval Rating



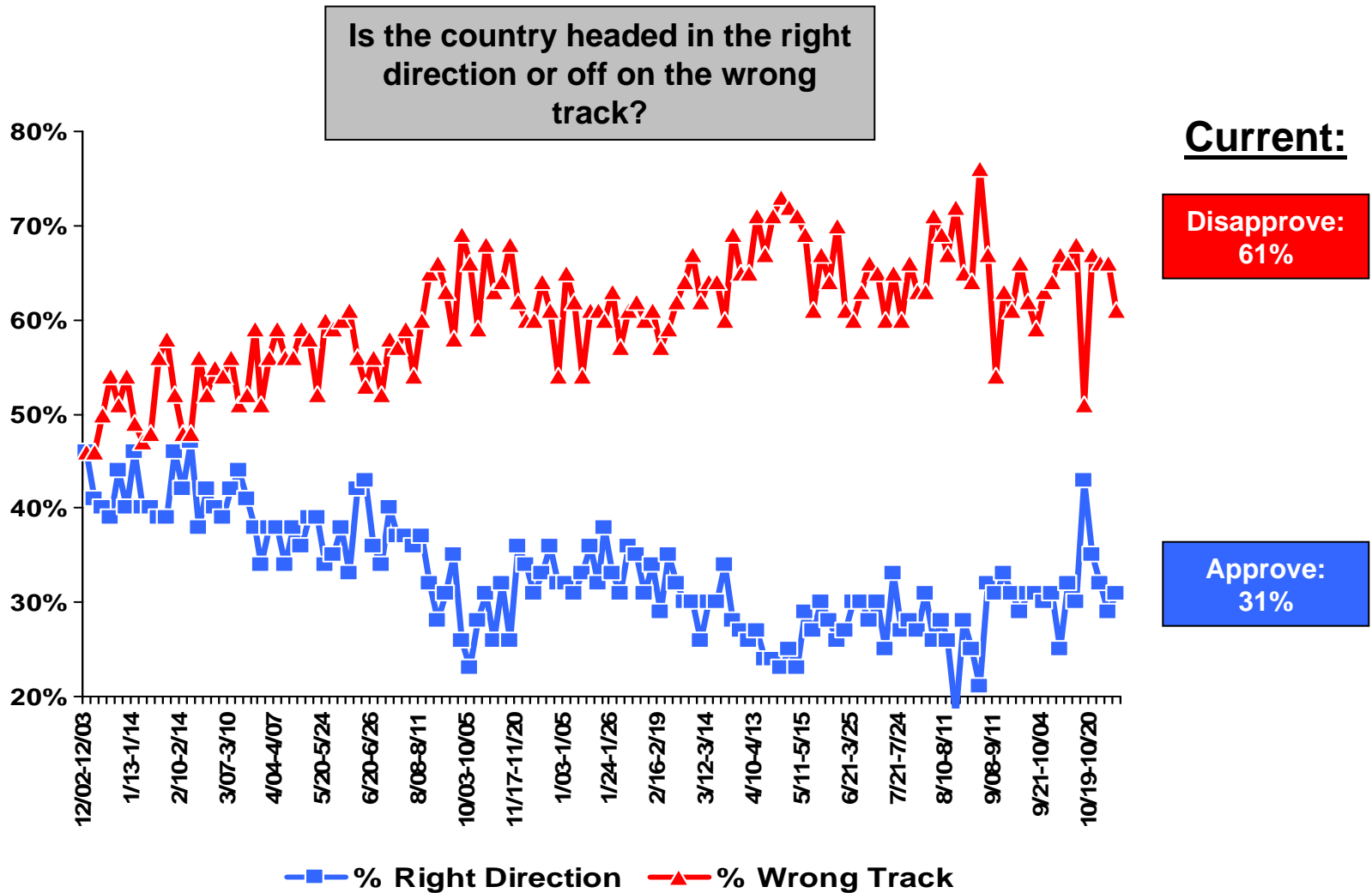
The Economy: George W. Bush Job Approval Rating



War in Iraq: George W. Bush Job Approval Rating



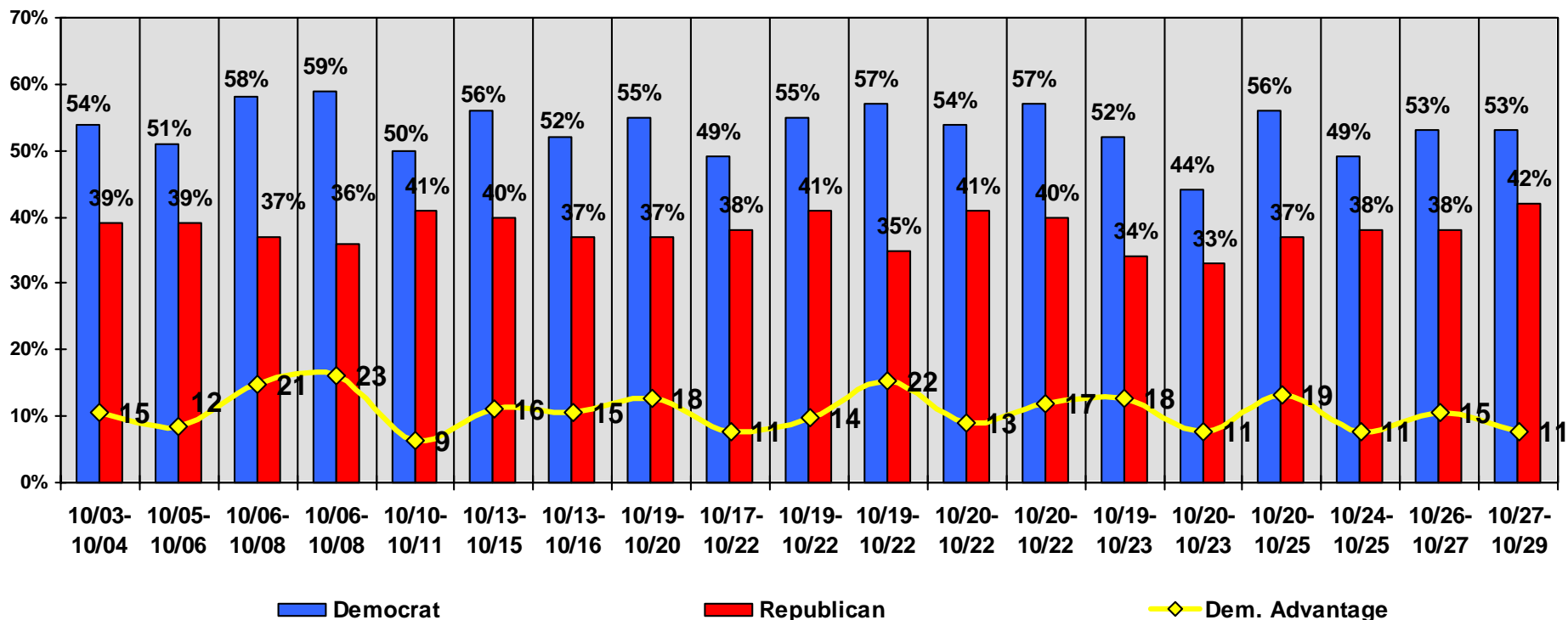
Direction of the Country



Election Monitor Perspective: Generic Congressional Ballot—Likely Voters

If the election for Congress were held today, would you vote for the Democratic candidate or the Republican candidate from your district?

Gallup, Fox, Zogby, AP-Ipsos, CNN, USA Today, Newsweek, Time Surveys



Unless otherwise noted all surveys sample "Likely Voters"

Election Monitor Perspective: Most Important Problems Facing the Country

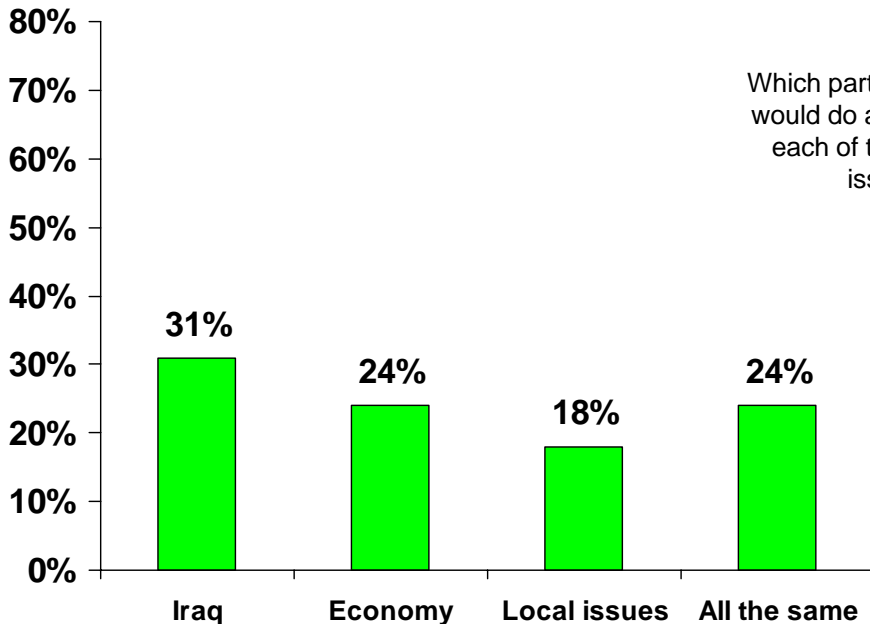
Gallup Surveys (Asked open-ended)
“What is the most important problem facing the country today?”
Top 5 Coded Responses

10/19/2006		9/15/1998	
Iraq	28%	Ethical/Moral/Religious Decline	16%
Economy	19%	Dissatisfaction w/Government	14%
Terrorism	11%	Education	13%
Dissatisfaction w/Government	11%	Economy	12%
Immigration/Illegal Aliens	7%	Crime/Violence	11%
10/17/2002			
10/17/2002		10/25/1994	
Terrorism	32%	Other	33%
Economy	30%	Crime/Violence	28%
War/Fear of War	15%	Economy	20%
Crime/Violence	10%	Health care	8%
International Issues	7%	Unemployment	5%

Election Monitor Perspective: The Parties and the Issues

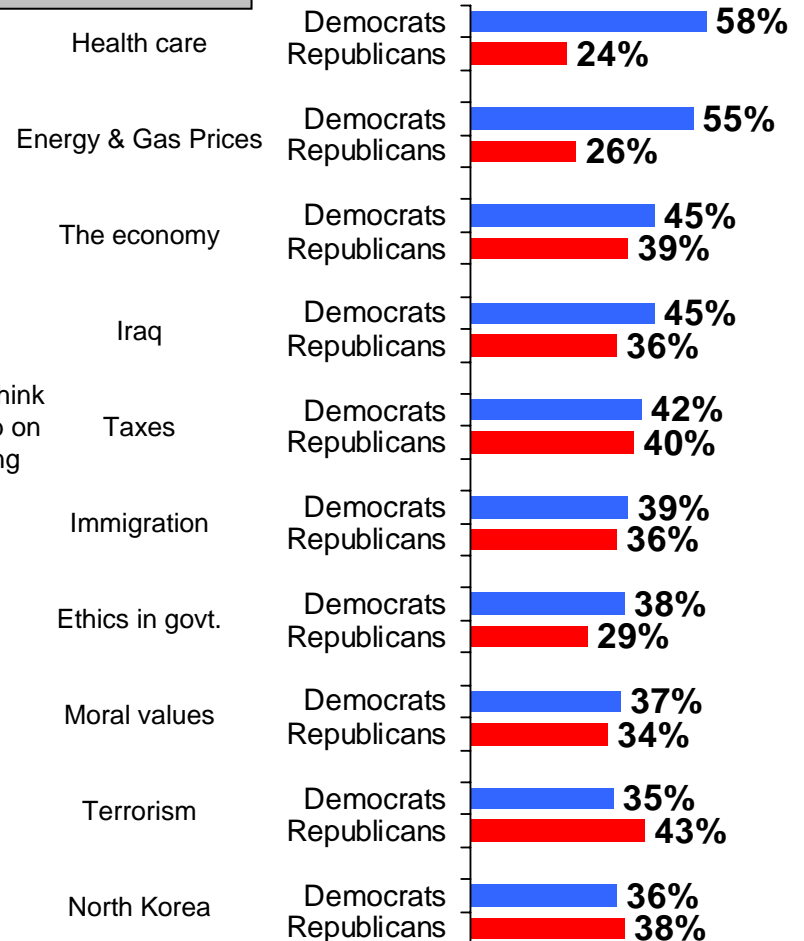
Of the following, which one is most likely to determining how you will vote in this November's congressional election?

Fox News Survey
10/24-10/25
n=900 LV



Fox News Survey
10/24-10/25
n=900 LV

Which party do you think would do a better job on each of the following issues?



LCG Election Monitor

**Senate Outlook
2006**

Election Monitor Senate Outlook: Maryland



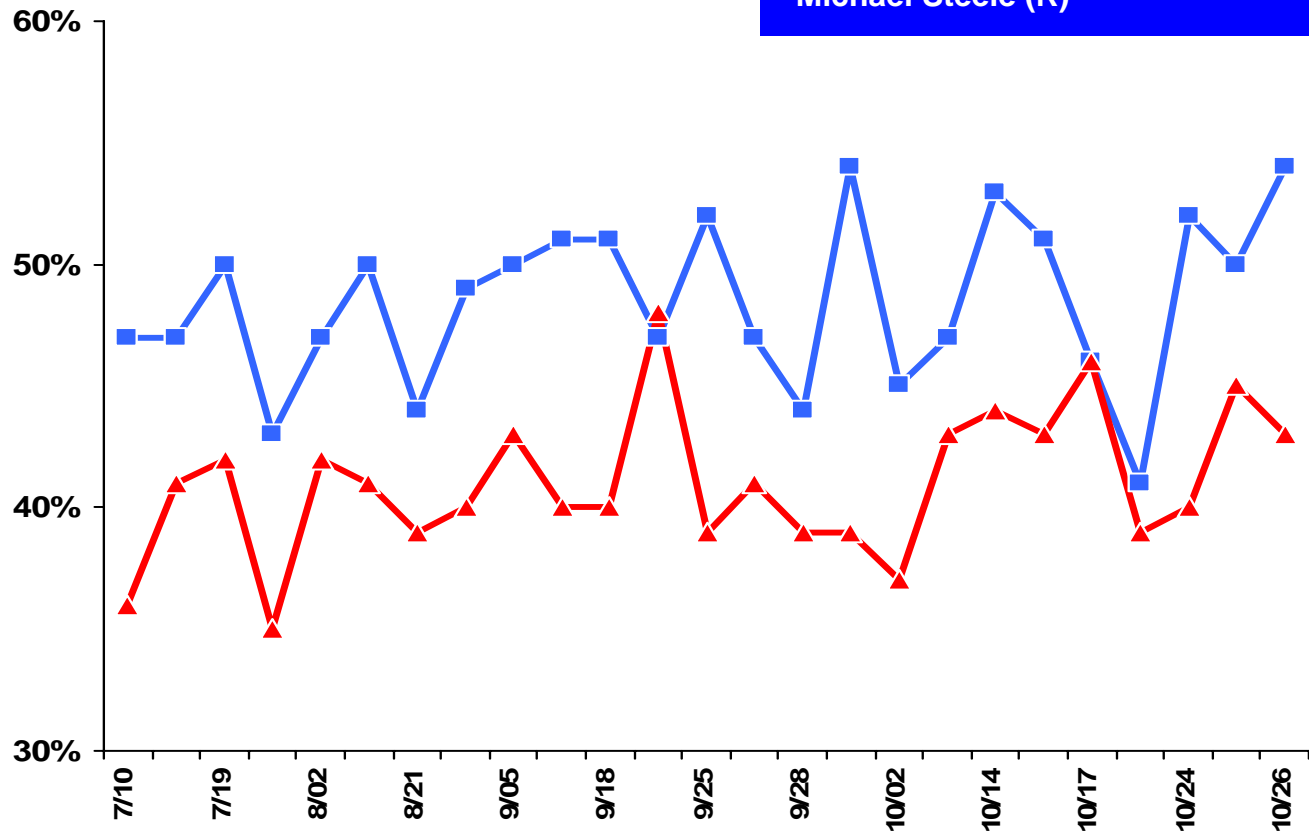
**Ben Cardin
(D)**



**Michael
Steele (R)**



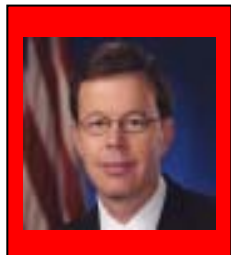
LCG Average	Most Recent 3 Polls
Ben Cardin (D)	52%
Michael Steele (R)	43%



Election Monitor Senate Outlook: Missouri



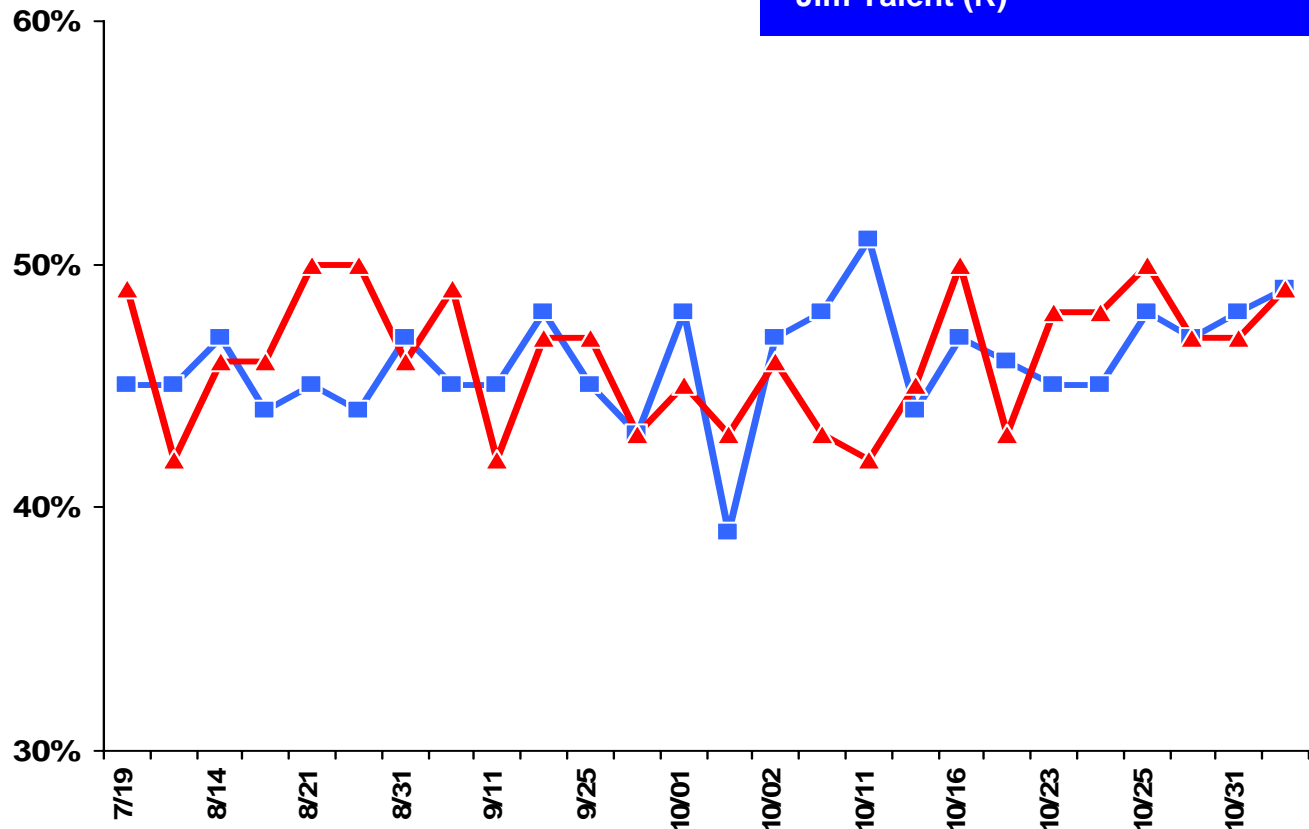
Claire McCaskill (D)



Jim Talent (R)



LCG Average	Most Recent 3 Polls
Claire McCaskill (D)	48%
Jim Talent (R)	48%



Election Monitor Senate Outlook: Montana



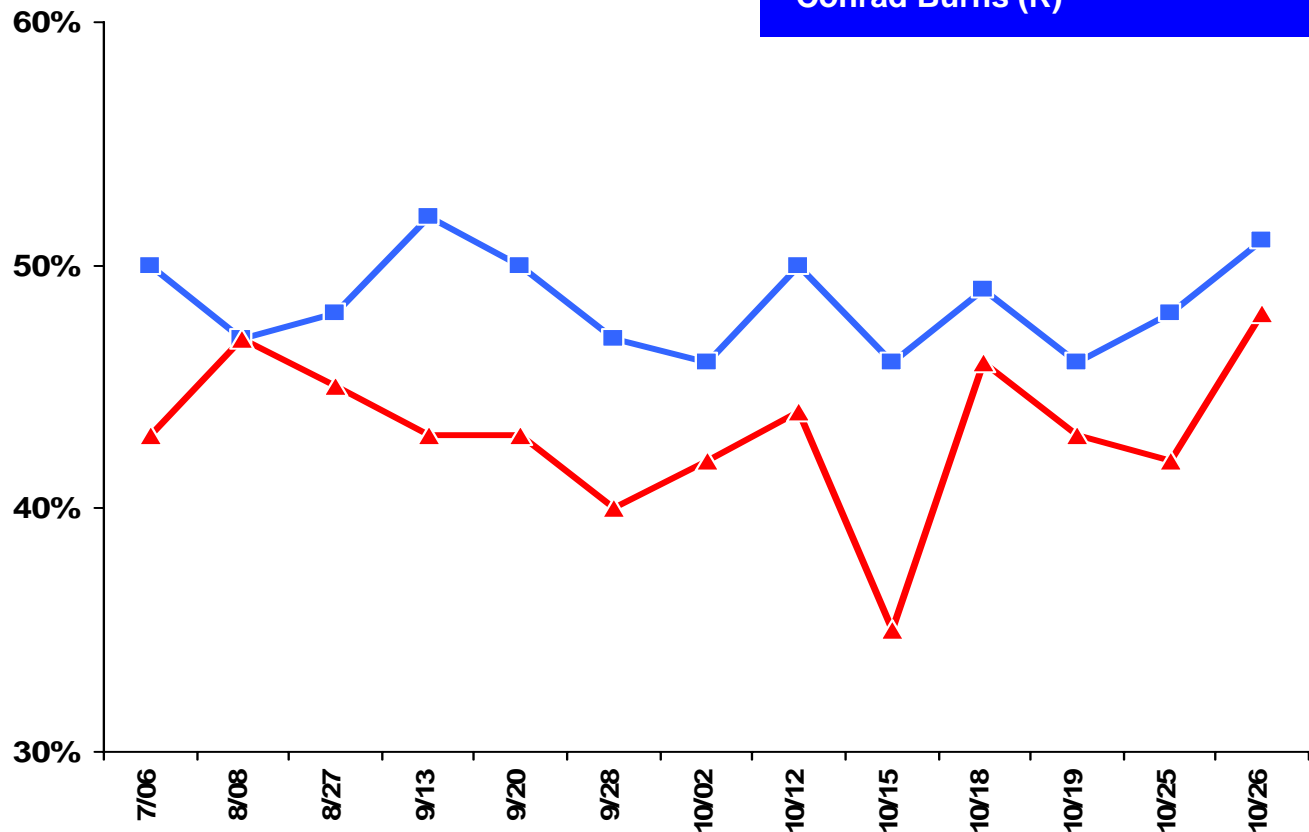
John Tester (D)



Conrad Burns (R)



LCG Average	Most Recent 3 Polls
John Tester (D)	48%
Conrad Burns (R)	44%



Election Monitor Senate Outlook: New Jersey

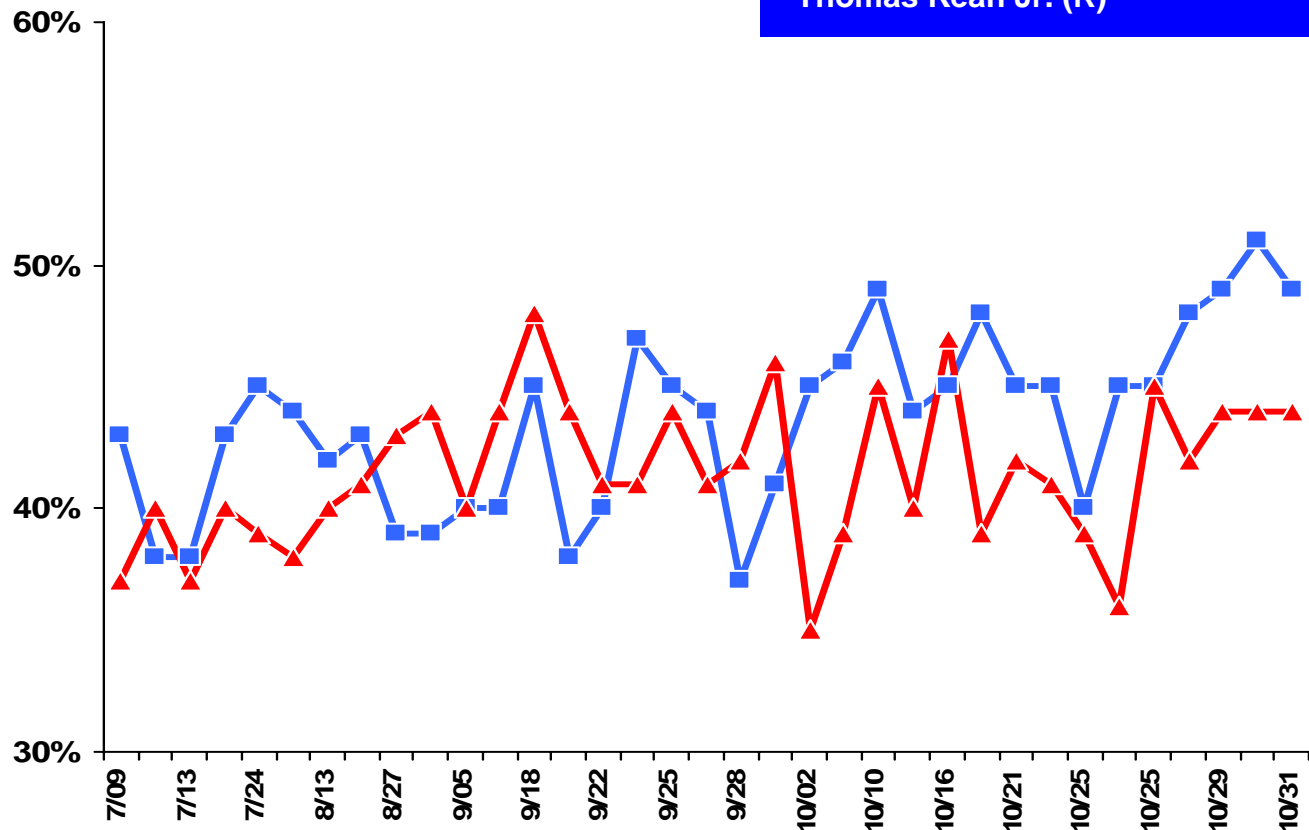


Bob Menendez (D)



Thomas Kean Jr. (R)

LCG Average	Most Recent 3 Polls
Bob Menendez (D)	50%
Thomas Kean Jr. (R)	44%



Election Monitor Senate Outlook: Ohio

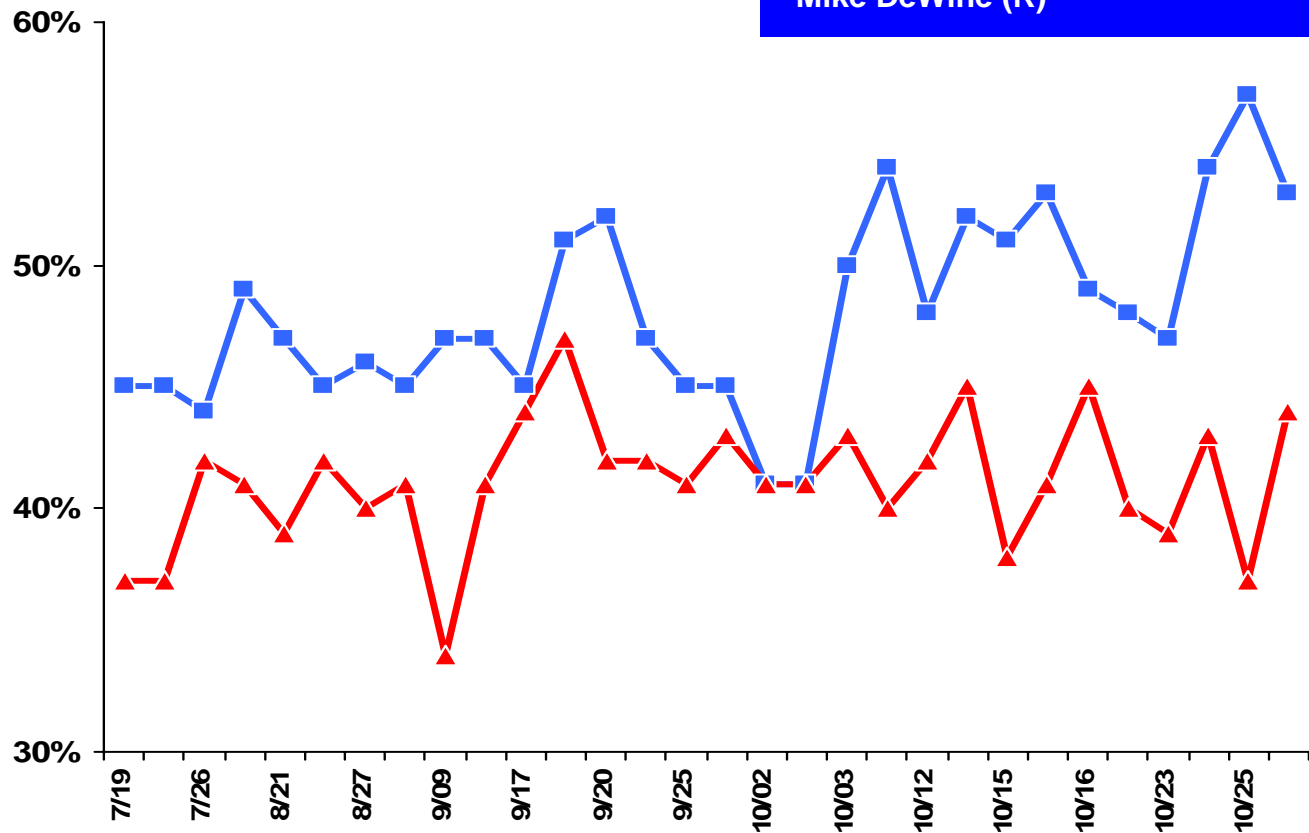


Sherrod Brown (D)

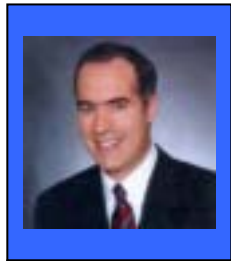


Mike DeWine (R)

LCG Average	Most Recent 3 Polls
Sherrod Brown (D)	55%
Mike DeWine (R)	41%



Election Monitor Senate Outlook: Pennsylvania



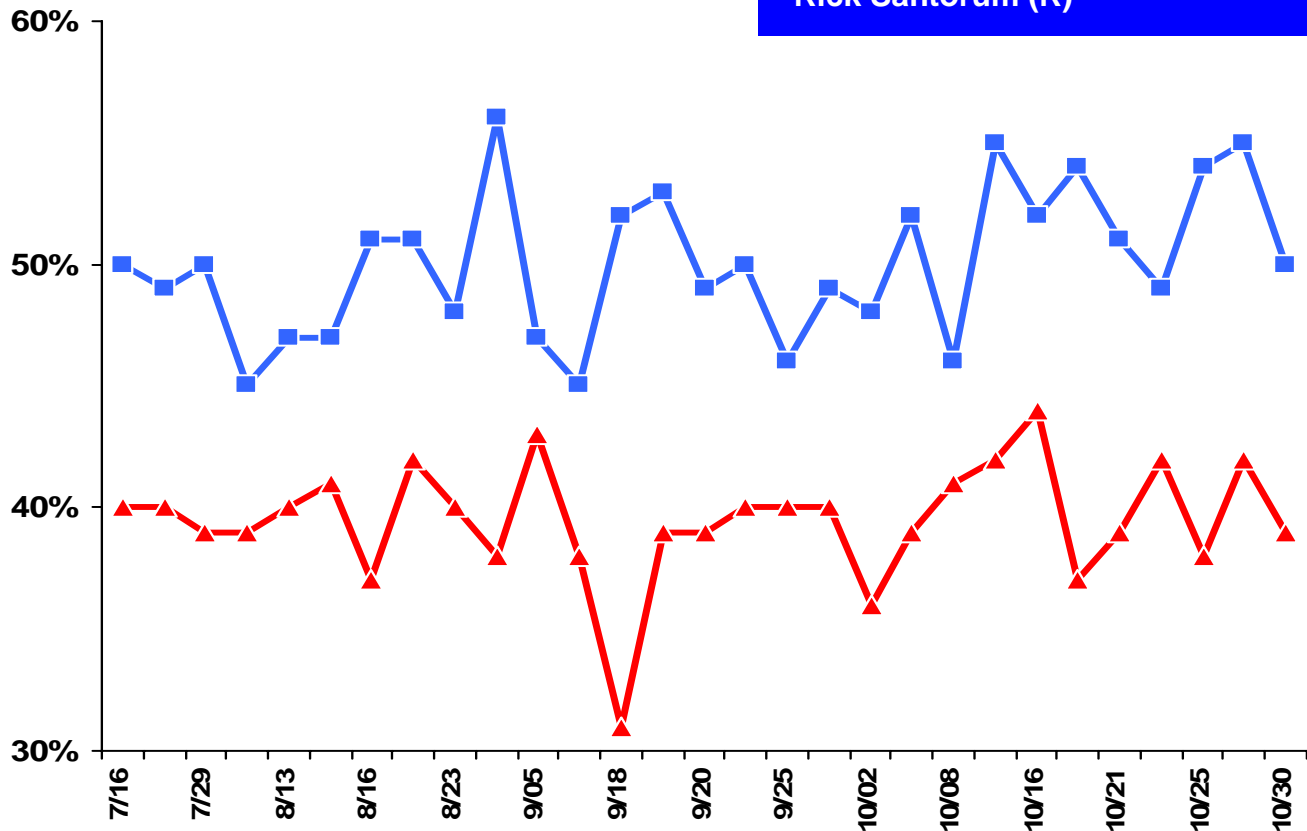
**Bob Casey Jr.
(D)**



**Rick Santorum
(R)**



LCG Average	Most Recent 3 Polls
Bob Casey Jr. (D)	53%
Rick Santorum (R)	40%



Election Monitor Senate Outlook: Rhode Island



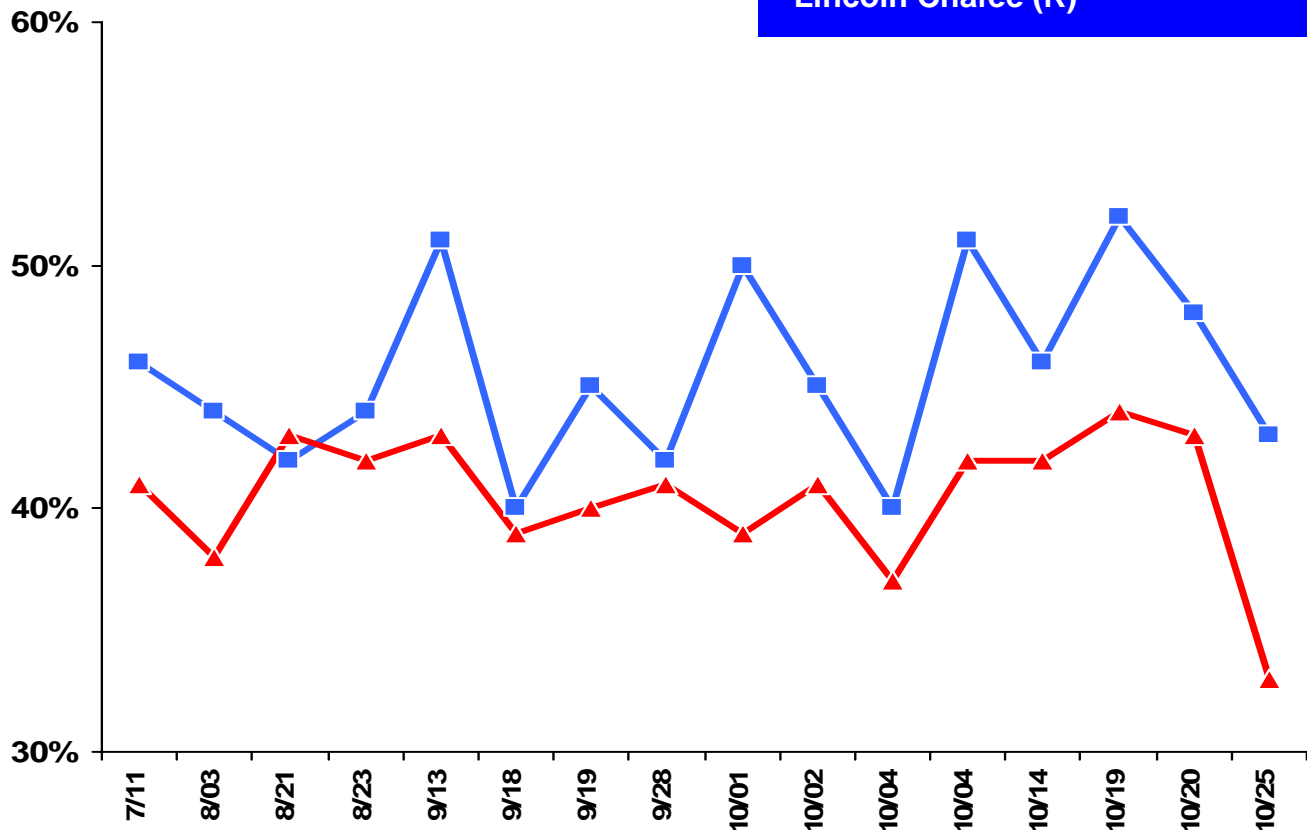
Sheldon Whitehouse (D)



Lincoln Chafee (R)



LCG Average	Most Recent 3 Polls
Sheldon Whitehouse (D)	48%
Lincoln Chafee (R)	40%



Election Monitor Senate Outlook: Tennessee



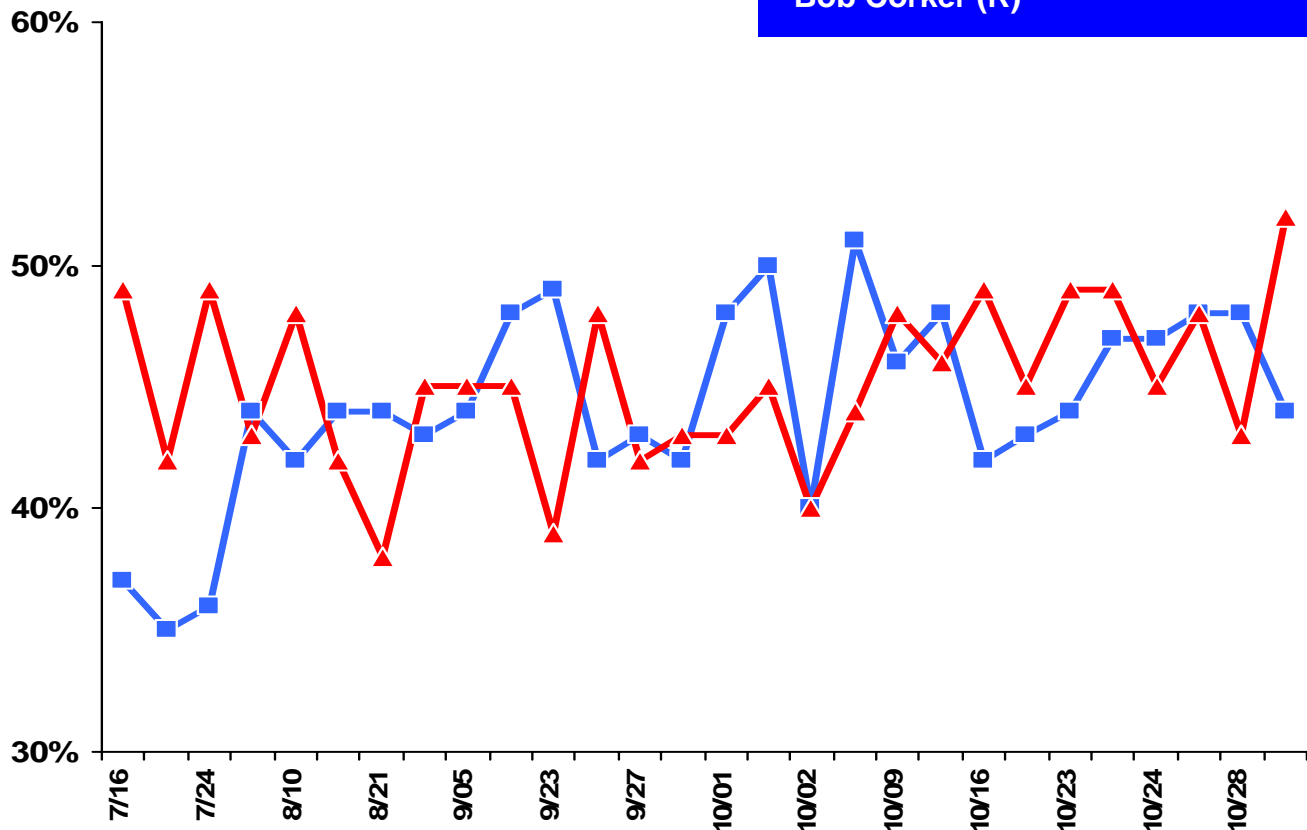
Harold Ford Jr.
(D)



Bob Corker
(R)



LCG Average	Most Recent 3 Polls
Harold Ford Jr. (D)	47%
Bob Corker (R)	48%



Election Monitor Senate Outlook: Virginia



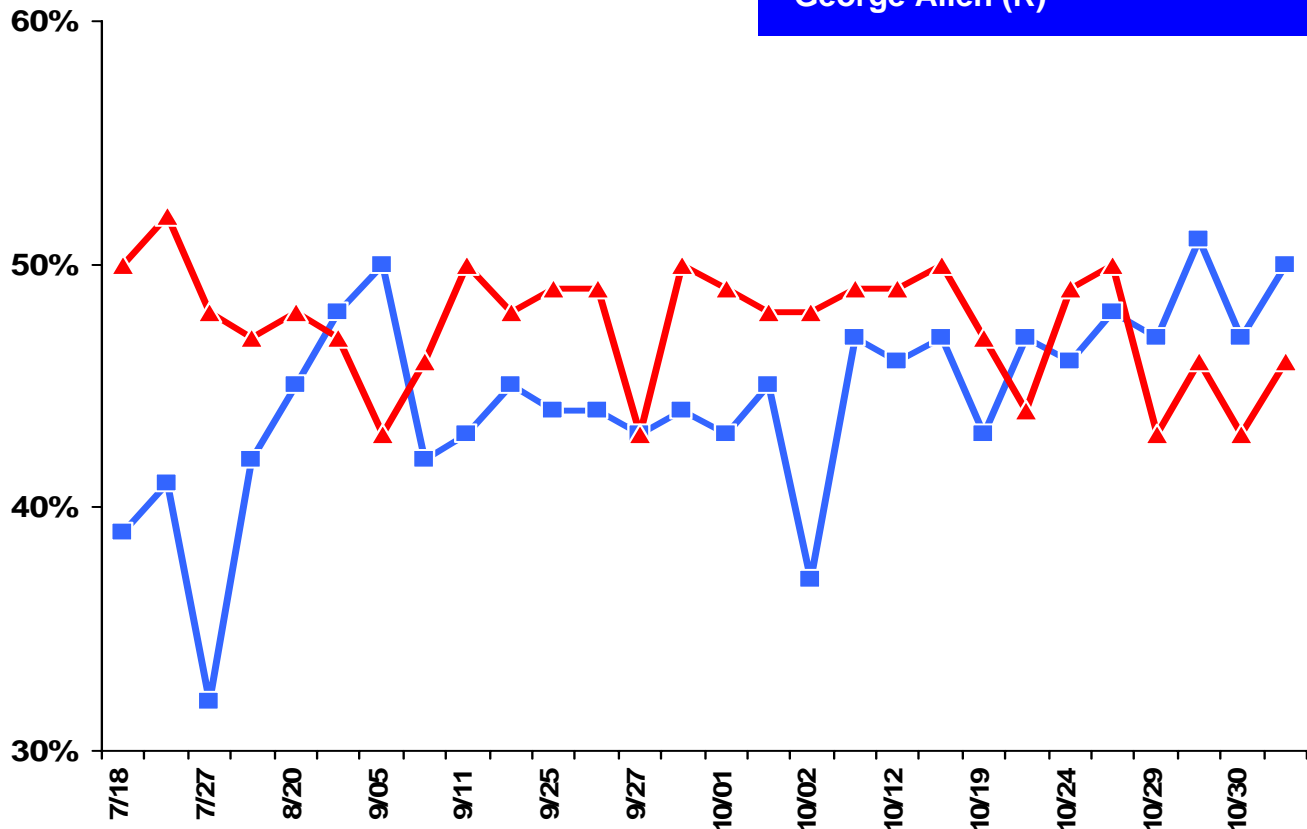
**Jim Webb
(D)**



**George
Allen (R)**



LCG Average	Most Recent 3 Polls
Jim Webb (D)	49%
George Allen (R)	45%



Election Monitor Senate Outlook

Democrats 43 (45*) Seats

Republicans 55 Seats

Lean Dem

Toss-Up

Lean GOP

Maryland

Montana

Pennsylvania

Rhode Island

Ohio

New Jersey

Virginia

Missouri

Tennessee

*45 seat tally includes Jim Jeffords (I-VT) and Joe Lieberman (CFL-CT) who currently caucus with Democrats

Lombardo Consulting Group

The LCG Election Monitor is a compilation and analysis of various publicly-available surveys pertaining to selected political and policy-related issues including but not limited to:

- ABC News/Washington Post
- American Research Group
- Associated Press/Ipsos
- CBS News
- CNN
- Fox News/Opinion Dynamics
- Gallup
- Annenberg Election Survey
- Newsweek
- The Pew Research Center
- Time
- USA Today

Data updated daily