



Inside This Week's Issue:

One Week To Go in the Session!

Thanks For All the Support!

Issues to Watch in the Final Days!

Clean Elections Bill Dies in Senate Finance

State Forest Protection Bill Moves to House Floor!

by Gary Zuckett, garyz@wvcsg.org

The bill to make Oil and Gas drillers tread more lightly in our state forests took a big step today, also the WV Environmental Council's E-Day, when the House Judiciary Committee amended and passed the bill. It will now go to the full House for a vote and then back to the Senate for its approval of the House amendment.

The progress of this legislation is due in great part to a concentrated effort by a concerned group of Kanawha State Forest users who banded together last fall to push for such protections after the abuse of their favorite forest.

The Kanawha State Forest Coalition was also legislatively active several years ago when loggers were running rampant there. The result that time was a special ban on commercial logging in the Forest.

The extra reporting and public notice requirements for oil and gas activities in this year's bill, which was originally drafted for just the Kanawha State Forest, would now apply to any state forest where the minerals are privately owned. Thank you, Kanawha State Forest Coalition, on behalf of all of our state forests.

The two bills mentioned last week to allow drilling in state parks expired on Wednesday as they were not taken up before the deadline. However, as stated last week, these things have a way of coming back to life in the last days of the session. Stay tuned!

Editor's Note: Since the 2007 Legislative Session will end at midnight on Saturday, March 10, this is the last weekly issue of *Capital Eye* for this year. If you would like to receive action alerts during the next week with the latest info on where bills are going, please sign up at www.wvcag.org.



Did You Know?

Capital Eye comes out weekly during the Legislative Session and bi-monthly throughout the rest of the year. If you have questions or comments about its content, please contact us. If you'd rather receive the *Eye* on-line, e-mail linda@wvcag.org

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by West Virginia
Citizen Action Group
(WV-CAG)
1500 Dixie Street
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25311

WV-CAG STAFF
Norm Steenstra
Gary Zuckett
Linda Frame
Marge Michau
Ted Boettner

PUBLICATION DESIGN
Damienne Dibble

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was founded in 1974
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Our members work
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www.wvcag.org,
call us at
304-346-5891,
or e-mail us at
linda@wvcag.org

State Senate Sour Grapes

by *Norm Steenstra*, norm@wvcag.org

Over the last week or so we watched the Senate Finance Chair lie to us, the unions, the Council of Churches and numerous citizens about the Clean Elections bill. We watched helplessly as Senate leadership refused to put it on the Senate Finance Committee, despite multiple promises to do so. Now that bill is dead.

We watched the same men as they “triple referenced” the bottle bill - killing the concept before it had a chance. We watched as the Senate, with almost no debate, passed a bill that would begin the dismantling of our solid waste laws for the specific benefit of one company. That bill allows for millions of tons of out-of-state garbage to come to West Virginia and provides the company tens of millions of dollars in tax breaks. The Senate Finance Committee did not even discuss this proposed tax give-away yet can’t find the money to fund our libraries or fairly pay our state workers.

The Senate is a club, a very exclusive club, that, although it has 34 “members”, in reality is controlled and manipulated by three middle-aged white men. They are the Senate President, Majority Leader, and the Senate Finance Chairman.

Each have been in the legislature for decades, and are “self”-made millionaires who shun debate and avoid sunlight. Each usually runs unopposed in both his primary and general elections. They represent poor rural areas that have a captive free press. They seem impervious to public opinion and the public welfare. It is government at its worst and something needs to be done to stop this 19th century cronyism that personifies the State Senate.

Session’s Last Week....

During the Session’s last week we will focus much of our attention on three issues, all now in the House of Delegates. We’ll try to stop the horrible McDowell County landfill bill, pass the good State Forest Protection bill and work with the WV Environmental Council lobby team to return as many higher quality Tier 2.5 streams to the protection list as we can (the original bill protected 310 streams but the Senate reduced that number to 38).

Capito Sit-In Protester Gets Day in Court

by Gary Zuckett, garyz@wvcag.org

The municipal court trial of Rev. Jim Lewis, who was arrested for trespassing two weeks ago after a 10-hour sit-in at Rep Capito's Charleston office, was held this week. 20-25 supporters from WV Patriots for Peace and West Virginians Against the Escalation in Iraq (WVAEI) were there along with three TV networks and a reporter from the *Charleston Gazette*. See www.wvgazette.com/section/News/2007022836 for the front page article.

Rev. Lewis was accompanied by the Episcopal Bishop of WV, the Rt. Rev. W. Michie Klusmeyer who submitted a letter of support stating that Rev Lewis' actions were "...consistent with the voice of the Episcopal Church against unjust war." His lawyer was Richie Robb, mayor of South Charleston, who has offered his city hall for Capito to use to hold a Town Hall meeting to discuss the Iraq War. Rev. Lewis read a stunning statement that asked why Bush was not given a citation for trespassing in Iraq, and Congress not given a citation for allowing it. Rev. Lewis was sentenced to a fine of \$50 or one day of community service.

WV-CAG continues to build the WVAEI coalition and is seeking to enlist new groups who oppose Bush's escalation of the troop levels in Iraq. If you are a member of a community group who would like to join, please contact ted@wvcag.org.

Clean Water Good! Dirty Water Bad!

At the request of House leadership WV-CAG got involved in the fight to retain as many state streams on the proposed "Tier 2.5" list as possible. Working with the highly experienced WV Environmental Council lobby team we quickly joined the fray on this very important issue.

At issue is just how many streams merit the added protection against degradation that a Tier 2.5 classification provides. As always the Chamber of Commerce and its mineral extraction allies want to see as few as possible of our high quality streams afforded the designation. Clean water advocates are proposing as many as 440 or 4% of the states waters. Industry is maintaining that only 38 streams all on public lands should receive the special status.

The bill containing only 38 streams has passed the Senate and now compromise legislation is being discussed. It is encouraging that both the DEP and the House leadership are providing strength to our position.

Please call your delegates and ask them to support the Speaker's compromise and to protect our streams.

From Our Grateful Staff:

The session's days are numbered and this is the last *Capital Eye* you'll receive before the madness draws to a close at midnight on March 10. It's also that time when we are reminded of how lucky we are to have members like you, people who support progressive causes in West Virginia. Your support comes to us in many forms ~ financial contributions, volunteer labor, grassroots outreach, contacts with your legislators. THANKYOU! And special thanks to the following volunteers who helped us put together this newsletter on Friday afternoon: Craig Wanless, Eleanor Spohr, Chris Higgins, Sally Roberts, Jeremy Brannon, and Phillip Boze. Also, appreciation to The Phillips Group's staff, Laura Phillips and Cyndi Bolton, for producing our newsletter addresses so we can get it to you as affordably as the post office will allow. And thanks to Jeff Bricker with Charleston Business Machines for keeping our copier fine-tuned.

While we are certainly glad the session is just about wrapped up, we will miss the regular contact with you all as we go back to our regular newsletter schedule. **Thanks again for all of your support and encouragement!**

Landfill Expansion Draws Governor's Ire?

Rumors around the Capitol late today are that Governor Joe Manchin may not be looking favorably on the McDowell Co. landfill expansion bill (SB 629). If this rumor proves true, this would be good news to those of us who fought so hard in original the Garbage Wars. During that epic battle, it was the leadership of then-Governor Caperton (who campaigned on the issue) that helped block the previous onslaught of out-of-state garbage.

We hope Governor Manchin agrees that "Open for Business" is not a carte blanche for making us the garbage dump of the eastern seaboard.

Call the governor at 304-558-2000 or toll-free at 1-888-438-2731 and ask him to help defeat this frontal assault on our well thought-out solid waste policy that has served WV well for the past 15 years. **Ask him to oppose SB 629.**

Do we need a bottle bill?

According to the Container Recycling Institute, sales of plastic water bottles 1 liter and less increased more than 100% from 2002 to 2005. There was a 900% increase in 10-12 ounce plastic water bottles sold over that same three-year period, from 1.9 billion to 18.9 billion units.

State Tax Breaks for the Rich

by Ted Boettner, ted@wvcag.org

When we think about tax breaks for the rich we are mostly reminded of President Bush's tax cuts over the last couple of years or the trickle down theory of economic growth we saw under Reaganomics in the 1980s. It seems the state senate is using this same logic when it voted 33-0 this week to lower the corporate net income tax rate from 8.75 to 6.5 over three years (SB 750) and completely phase out the business franchise tax from 0.55 percent to 0 over seven years (SB 751). These tax breaks would cost the state over \$200 million in tax revenue collections over the next three years. This unanimous action by the state senate is unfortunate because these taxes are two of the few in the state that are progressive, meaning that upper income people pay a larger share of their incomes in tax than do those with lower incomes.

By reducing the corporate net income tax rate by 26 percent over next three years the state senate is effectively giving wealthy out-of-state taxpayers a break at the expense of those in West Virginia. This happens because corporate income taxes are usually passed through to out-of-state shareholders, and since stock ownership is concentrated among the very wealthiest taxpayers (the top 10% of the population owns 85 percent of corporate stocks), the ability to export part of the corporate income tax is important because they benefit indirectly from the public services provided to in-state corporations – like roads, police officers, education system, etc.

The business franchise tax brought in \$120 million in state revenue in 2006 and without this tax many of the limited liability companies (LLCs) and partnerships located in West Virginia would not pay a corporate tax on their profits. It's important to recognize that many LLCs are structured so the residents in West Virginia are minority owners (and it's quite possible there are no WV owners), owning as little as one percent, with the rest owned by a corporation in Delaware or other states where ownership interest is not taxed. Also, many profitable LLCs and partnerships may be avoiding substantial business taxes by diffusing their profits among thousands of owners, many of whom live out-of-state. And many of these LLCs have no legal limits on the size of their assets or payroll and some of them are quite profitable (Goldman Sachs, the New York investment bank with over 8,000 employees and reported 1996 profits of \$2.6 billion, is a partnership; so is the 53,000-employee accounting firm Price Waterhouse.)

Many of the proponents of these bills claim that West Virginia needs to have business taxes that are more competitive with surrounding states so more businesses will locate in West Virginia. While this might be a laudable goal, lower corporate taxes do not equal strong economic growth. State and local taxes are a small part of the costs to businesses, and therefore have little effect on invest

(continued on page 7 - see "Breaks")

Important Events

Weekly Vigils Continue

WV Patriots for Peace Vigils every Friday from noon to 1:00 p.m. across from the Tidewater Restaurant at the Town Center Mall in Charleston. Help hold the Wall of Remembrance. For more info, please visit www.wvpatriotsforpeace.org.

March 7: “An Inconvenient Truth”

Free. 5:30 PM, Taylor Books, 226 Capitol St, Charleston. Re-watch the movie and discuss. Sponsored by WV Citizen Action Group and Patriots for Peace – for more information call 343-9456. Go to www.alternet.org/envirohealth/46318/ for solutions that require more austerity.

April 4: “Sir! No Sir!”

Free. Taylor Books, 5:30 PM. David Ziegler’s documentary chronicles the resistance to the Vietnam War, beginning in the 1960s, by GIs who contributed to underground newspapers, planned demonstrations and refused to continue in battle. For more information, please call 343-9456.

CAG Annual Fundraiser ~ April 27

WV-CAG will hold its annual fundraiser dinner on **Friday, April 27** at Coonskin Park Clubhouse in Charleston. Tickets are \$40 and include our world famous international buffet. Please mark your calendar ~ more details to follow! Also, if you have anything you would like to donate to our silent auction, please contact us at 346-5891 or e-mail linda@wvcag.org.

Stay In Touch!

The legislative website is a great resource where you can find legislators’ contact info and committee assignments, and track bills. Add it to your favorites at www.legis.state.wv.us.

Call your delegates and senators toll-free at: 1-877-565-3447 or write to them at West Virginia Senate/House of Delegates, Building 1, State Capitol Complex, Charleston, WV 25305.

Contact Governor Manchin toll-free at 1-888-438-2731 or e-mail at Governor@WVGov.org.

("Breaks" - continued from page 5)

ment decisions. State and local taxes nationally account for only about 0.8 percent of business costs. When making investment location decisions, businesses are much more concerned about the proximity of their markets and suppliers, as well as the quality and cost of labor, utilities, and transportation and communication infrastructures. Quality public investments in these areas improve the business climate and save companies money in the long run. If lowering corporate income taxes results in reductions in the quality or quantity of public investments, the impact of lower taxes may be slower economic growth, not stronger. An analysis of the existing research literature on this topic found "little grounds to support tax cuts and incentives – especially when they occur at the expense of public investment – as the best means to expand employment and spur growth."

In the long run, these tax cuts could endanger the state's ability to fund services - because tax cuts do not pay for themselves - and make West Virginia less attractive for big multi-state corporations, and just as importantly, make West Virginia a less attractive place for individuals and small business owners to live and work.

While the House hasn't decided whether to take up these two bills, they are receiving enormous pressure from corporate lobbyists not to look "anti-business." With less than a week before the legislative session ends, let's hope the House doesn't buy into these misplaced priorities.



We Need Your Support!
We can't do it without you !

Please renew your membership or send a donation.

Name: _____

Address: _____

Here's my donation of \$15 \$25 \$50 \$100 Other \$ _____

Clip and mail with your check to West Virginia Citizen Action Group, 1500 Dixie St., Charleston, WV 25311

Donate safely and securely on-line at www.wvcag.org!!!!

THANKS!