



Capital Eye

VOLUME 7 NO. 4 February 2 2007

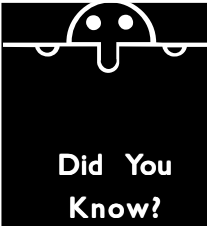
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February 8 is Bottle Bill Lobby Day!

Funding Options for Pay Raise

Session Starts to Move!

Thanks for Turning Out for Clean Elections Day!



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

"Slow Session" To Speed Up

by Norm Steenstra, norm@wvcag.org

After a relatively slow start, next week will be a whirlwind of activity at the Capitol. Expect movement on table game gambling, Clean Elections, Prescription Drug reform and dozens of other issues. The legislative session will be half over by this time next week and bills that have a real chance of passage in both Houses must begin to move. We will work to get the Clean Elections bill through Senate Judiciary and then begin pressuring Senate Finance to work it. The Bottle Bill Coalition will try to persuade House leadership to move that bill. Intense and, at times, unethical lobbying by opponents of the Bottle Bill has bogged down our efforts. Your presence at Bottle Bill Day (see page 3) on February 8 can give the issue the kind of boost that Clean Elections Day did for that bill.

Whispered rumors in the Halls suggest that a major battle over prescription drug reform may occur in the reform-minded House of Delegates. When one considers the special interest money from the bottling lobby, the gambling industry and the drug companies, it's a no-brainer why the Clean Elections effort is WV-CAG's biggest priority of the session. We've said it before and we'll say it again- real election reform is the reform on which all other reforms are possible. Having average citizens down at the Capitol this past week was a real boost to our efforts. Whatever issue strikes your fancy, please know that you are most welcome to join the team for a day or two or more.



Gary Zuckett With Fat Cat Lobbyist - 2/1/07

CapitalEye
published
by West Virginia
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Charleston WV
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W V - C A G
was founded in 1974
as a non-profit
membership
organization
dedicated to
increasing citizen
participation
in economic and
political decision-
making.

Our members work
for progressive
changes in federal,
state, and local policies
by educating people
about key public
interest issues ranging
from environmental
protection and
consumer rights to
good government &
health care reform.



To become a
member or to
send comments
and suggestions,
visit

www.wvcag.org,
call us at
304-346-5891,
or e-mail us at
linda@wvcag.org

Clean Elections Day A Success!

On Thursday at least 50 people came to the Capitol to lobby for the Clean Elections bill. One of the most impressive press conferences in recent memory kicked off the day at the Capitol. The diversity of the Clean Elections Coalition was showcased and resulted in excellent statewide coverage by the Associated Press and West Virginia Public TV.

Earlier in the week the Coalition lobby team identified key senators on the Judiciary Committee critical to a favorable vote. Thanks in large part to your many phone calls and the lobby effort on Clean Elections Day, four of the five targeted senators have committed to, or are leaning toward, voting for our bill. The best guess at this time is that Judiciary will take up the bill as early as Tuesday afternoon. Ergo! There is plenty of time to make one more phone call to your senators. The breadth and depth of our coalition is truly amazing and that is making a real difference.

- Norm Steenstra, Jr. for the Clean Elections Coalition

Kanawha State Forest Bill To Be Introduced

by Gary Zuckett, garyz@wvcag.org

Finally, the bill to help protect the Kanawha State Forest will be formally introduced in both the House and Senate early next week. Promoted by the Kanawha State Forest Coalition, it will provide for public comments on roads and reclamation before any new permits for oil and gas drilling in the Forest is initiated.

This bill is a response to the unnecessary damage and logging done by drilling contractors last spring when a road was bulldozed in the wrong location and then "daylighted" by cutting trees in a 60-foot wide corridor along the route.

The Coalition is still seeking donations to offset the cost of promotion and lobbying for this additional protection of this much used and loved state forest. Please send your donations to the Kanawha State Forest Coalition, 1525 Hampton Rd, Charleston, WV 25314.

Bottle Bill Introduced

by Linda Frame, linda@wvcag.org

This week, the WV Bottle Bill was introduced in both the House and Senate. SB 370 sponsors are Senators McCabe (D-Kanawha), Foster (D-Kanawha), White (D-Webster), Wells (D-Kanawha) and Stollings (D-Boone). HB 2773 sponsors are Delegates Fleischauer (D-Monongalia), M. Poling (D-Barbour), Hatfield (D-Kanawha), Fragale (D-Harrison), Hamilton (R-Upshur), Brown (D-Kanawha), Tabb (D-Jefferson), Miley (D-Harrison), Manchin (D-Marion), Beach (D-Monongalia), Canterbury (R-Greenbrier). You can read the bill at www.wvbottlebill.org.

February 8 is WV Bottle Bill Day at the Capitol. Please meet at 10AM in the upper rotunda in front of Robert C. Byrd's statue to lobby senators and delegates before their floor session. At noon we will meet in front of the governor's office for a press conference. Please plan to be flexible as **we expect Governor Manchin to speak at the press conference** and will be working around his schedule. If you are with a group such as Adopt-A-Highway or watershed, please wear something to let legislators know (for instance Adopt-A-Highway volunteers will be wearing their orange vests). These are effective ways to get the attention of legislators. For more info, please contact me at 346-5891 or toll-free at 1-866-WVB-FAIR. **See you Thursday!**

Public Hearing for Coal Road Designation

The Coal Resource Transportation Designation Committee (CRTDC) recently received two applications requesting the expansion of the state's coal haul road system or Coal Resource Transportation System (CRTS) in **Nicholas County**.

Alex Energy, a subsidiary of Massey Energy, has requested the addition of a 1.8 mile section of Nicholas CR 39/38 (also known as Jones Branch Road). BTU Sales has requested the addition of approximately 6.65 miles of roads including sections of WV 129, Nicholas CR 9 and Nicholas CR 9/5.

A public hearing is set for **Monday, February 12, 2007** on the Alex Energy request at the Nicholas County High School Auditorium in Summersville from 6:00pm to 8:00pm. It will be followed by a 30-day public comment period. Send written comments to Ken Ferguson, Director, Planning and Research Division, WV Division of Highways, Capitol Complex Bldg. 5, 1900 Kanawha Blvd. East, Charleston, WV 25305 on or before March 14, 2007. A public hearing for the BTU request has not yet been set. Following the public comment period the CRTDC will make its initial recommendation and report this recommendation to the Legislature's Joint Committee on Government and Finance (JCGF). The JCGF has 30 days to respond before the CRTDC makes its final decision.

If you have questions or concerns regarding these or other applications before the CRTDC, contact Julie Archer at (304) 524-5409 or ecwvfree@verizon.net.

Paying for Raises

by Ted Boettner, ted@wvcag.org

One of the biggest issues at the Capitol this year is pay raises for teachers, state employees, and those working in correctional facilities. So far, the Manchin administration has proposed increasing teacher's salaries by 2.5% while giving all other state employees a \$1,000 incentive (or bonus). While this might be a decent start, many public employees need a larger increase to be competitive with other states. The governor has stated that there is not enough money in the state budget for more than what he has proposed.

To help give the Governor some ideas on how we can get money to pay our public employees a better wage, I've outlined some revenue options below:

Option #1 – Mandate Combined Reporting - Estimated Revenue Gain = \$25m-35m

Combined reporting would require multi-state corporations to report profits from related entities, including any subsidiaries. Currently in West Virginia, corporate taxpayers use "single entity" reporting, in which the business reports profits only to the extent the business is located in the state. This limitation creates a tax loophole for tax planning techniques that shift income to low tax states. According to a 2003 report by the Multistate Tax Commission, West Virginia lost 57.8% of its corporate income tax collections (as a share of revenue) in 2001 due to tax shelters, the highest in the nation. According to testimony given by Mark Muchow to the Finance Subcommittee B on December 11, 2006, mandating combined reporting could boost income tax receipts by \$25-35 million over the long-term. While combined reporting will not solve all problems associated with corporate tax avoidance, it's the single best short-term option available to lawmakers that will not only give the state additional revenue without raising taxes, but make the corporate tax more equitable. So far, 18 states have enacted combined reporting.

Option #2 – Reinstate the State Estate Tax - Estimated Revenue Gain = \$11m-21m

In 2001, federal tax legislation included a phase out of the federal estate tax by 2010 and also effectively repealed by 2005 the state "pickup" taxes through which West Virginia shared in federal estate tax collections. West Virginia could prevent any more loss of revenue by "decoupling" from the federal change. If West Virginia reinstated the estate tax at the pre-2001 level the estimated revenue yield would be \$16m-\$20m annually.

Option #3 – Severance Tax - Estimated Revenue Gain = \$23.5 million

The 2006 Report of the West Virginia Tax Modernization Project recommended additional study of "the actual average production cost differential between conventional coal mine taxes at 5% and thin-seam mines taxed at 2% and 1% under the Regular Severance Tax, to determine whether the tax prefer-

ence accurately accounts for such differences.”The tax credit for thin-seam as opposed to historically mined coal makes no sense because coal companies already remove the thin-seam in mountain-top removal projects. According to the latest Tax Expenditure Study, the potential revenue yield of eliminating this tax credit for thin-seamed coal would be \$23.5 million.

Option #4 – Increase Personal Income Tax - Estimated Revenue Gain = \$89 million

An increase in the personal income tax rate by ½% for taxpayers with incomes between \$200,000 and \$250,000, by 1% for incomes between \$250,000 and \$300,000, and by 2% for incomes over \$300,000. The estimated revenue yield according to state director of fiscal policy, Mark Muchow, is \$89 million from fewer than 10,000 taxpayers.

Other options might include raising the non-cigarette products tax from 7% to 20% and closing down tax expenditures (\$90m in 2001) that don’t promote good paying jobs. In the end, if public employees don’t get a better raise it won’t be because of a lack of revenue options.

Ask Senators to Oppose SCR 29

A controversial anti-wilderness resolution (SCR 29) has been introduced in the Senate. It is filled with inaccurate information about wilderness and would oppose wilderness protection for special areas in the Monongahela National Forest. This is the exact same resolution that was defeated in 2005 and 2006 and now they are at it again! Please call your Senators and **Urge Him/Her to OPPOSE SCR 29!!!** This resolution could be taken up in the Senate Natural Resources Committee as early as **Monday February 5th** so please call right away. Then please call Natural Resources Committee Chair John Fanning at (304) 357-7867 and ask him to oppose SCR 29! This resolution is filled with false information and is a bad deal for West Virginia, and for wilderness.

Minimum Wage Passes US Senate, War Resolution Now on Table

This week the US Senate passed an increase in the minimum wage from \$5.15 to \$7.25 per hour over the next two years. However it was not the clean bill (without additional tax breaks) that the House passed last month so it will have to go to a joint conference committee to try to find some middle ground that both can accept. This is a big step forward for low-income workers and just the first step in bringing more balance into our economy. The US Senate is now debating a resolution opposing the escalation of the Iraq war. More troops thrown into the crossfire of civil war raging in Iraq will not bring peace to that nation. Negotiations on introducing a similar resolution in the WV Legislature have had mixed results. Watch for more on this next week...

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.

The Ground Truth in Iraq

February 13, 2007, 7:00 p.m. West Virginia State University Union in Institute. Sponsored by Seneca 2 and Political Science Department at WVSU, WV Council of Churches and WV Patriots for Peace. More info: www.dahrjamailliraq.com. For more details, please see last week's issue of the *Eye*.

E-Day at the Capitol

March 2, 2007, 10:00 a.m - 3:00 p.m. Location: House & Senate halls and upper rotunda area. Approximately 30 environmental organizations and sustainable businesses will be represented with displays. It's a great opportunity for citizens to come together to lobby.

For more information and to register your organization contact : Denise Poole at deniseap@earthlink.net or call the WVEC office: (304) 414-0143.

Annual E-DAY RECEPTION & BENEFIT will be held the same evening. Make your plans now to join us on this date! *More details to follow.*

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.

Drug Cost Council Kills Own Rules Bill

by Gary Zuckett, garyz@wvcag.org

In an “emergency” meeting Thursday the state’s Pharmaceutical Cost Management Council (PCMC) withdrew its legislative rules requiring drug companies to disclose what they spend on advertising and lobbying doctors to prescribe their drugs. The PCMC was created in 2004 to negotiate lower drug prices for state programs and citizens but has met stiff opposition all along the way from Big Pharma and the Medical Association. The disappointing two-year drama of foot-dragging by the Council and now their total capitulation to the drug industry is costing WV citizens and government agencies millions in inflated drug costs.

Drug costs have gone up at over twice the rate of inflation since 2004 and lead the overall rise in costs of medical care. There is no relief in sight from the excess profits enjoyed by these legal drug dealers who entice our doctors to prescribe their brand with lavish food and gifts, all expense paid trips to “seminars” in exotic locations and lots of other perks. Guess who’s paying for this marketing and all those expensive TV and print ads extolling the virtues of the latest drug? You and I every time we see the pharmacist!

The House of Delegates took a bold stand in 2004 in creating the PCMC and Advocate. It should now revisit this issue and push back to make Big Pharma disclose its marketing costs and disallow them from being passed on to consumers.



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!