

***From The Desk  
Of Representative Paul Seaton  
Weekly Legislative Newsletter – December 19, 2003***

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Greetings to all! The new legislative session is fast approaching and I look forward to meeting the new challenges it will bring. I have enjoyed having the opportunity to work with many of you since the interim began in May. I want to share with everyone in District 35 some of the projects that have been keeping my staff and me busy.

### **Shallow Natural Gas/Coal Bed Methane (SNG/CBM)**

The possibility of Shallow Natural Gas/Coal Bed Methane (SNG/CBM) development on the Homer bench has recently become the foremost issue for the Homer area. This is a complicated subject and there are many intricacies that are difficult to fully understand. For those of you that have not followed this issue in the news, the subsurface resources owned by the State, south of Anchor Point, were leased in June of 2003 with the intent to develop SNG. I believe these leases were issued through an excessively streamlined process. Various health, environmental and surface use issues surrounding the process of drilling for SNG have been raised. There is concern regarding what the effect of SNG development would be on an urban/rural community. Although the gas supply shortage on the Peninsula could have an effect on Borough property taxes if the Nikiski Liquid Natural Gas (LNG) plant closes, the SNG from the relatively small acreage leased around Homer will not provide enough volume to keep the Nikiski LNG plant from closing. Conventional natural gas development is increasing on the Lower Peninsula. Directional drilling to access potential deep conventional deposits from those existing leases is a possibility. However, since the Homer area was specifically exempted from the area wide conventional lease program, these reserves should only be approached through the full public process required for conventional oil and gas leases and not through the back door development process of SNG. The Homer area generally favors smaller economic development and tourism ventures, rather than pursuing projects with possible environmental impacts, such as SNG. For these reasons, I will be working with Senator Gary Stevens in the upcoming legislative session to initiate a buyback of the SNG/CBM leases in the Homer area. Although the Governor has indicated a willingness to consider a Homer buyback, much will depend on the narrowness of the proposal and its potential cost. Additionally, I am working with other Representatives from South-central Alaska on a bill to:

1. Provide adequate local public notice before leases are issued
2. Eliminate the provision allowing administrative override of local ordinances created in last years House Bill 69
3. Ensure the necessary elements are included in surface use agreements
4. Require re-injection of waters produced through SNG drilling,
5. Add specific requirements for the protection of municipal drinking watersheds and
6. Prevent noncompetitive SNG leases from being used to circumvent the procedures required for conventional oil and gas development.

A note of caution; these activities only relate to State leases. Almost half of the subsurface mineral rights to property in the Homer area are privately held and can be explored with little notice.

### **Dept. of Transportation and Dept. of Natural Resources**

We have worked on numerous projects to help constituents through the maze of regulations and permit approvals. My office is continuing to work on establishing an effective process for driveway approvals, which has been slowing development. We have also been working to ensure public beach access. One of the biggest frustrations I hear from people throughout the State is the continual delay of road projects. I will be working to place a moratorium on the nomination of State Transportation Improvement Projects (STIP). We should fund and complete the current STIP list rather than spending lots of time reorganizing the STIP by adding new projects each year. Reorganization of the STIP only delays other important projects.

### **Seward Recorder's Office**

Last session, my office worked hard to get the Department of Natural Resources to utilize part of its program receipts to keep the Seward Recorder's Office open and go to bid for new office space. Unfortunately, the bid requirements and spaces available made that proposal too expensive, though we were able to secure funding for a part time staff person. I am very pleased that the residents and businesses of Seward found appropriate office space at a price the State appears willing to pay. In the upcoming legislative session, I will strive to secure money to keep the recorder's office open in the years to come. Congratulations to the residents of Seward for coming together to raise the money to keep the recorder's office in Seward open until State funds can be secured. I applaud your generosity and ingenuity!

### **Civics Outreach to Local Schools**

Education funding continues to be my first priority. I worked diligently last session to get the learning opportunity grants rolled into the foundation formula. I have offered to participate in our District 35 schools during the interim for classes, site councils, and meetings with educators because I believe that education is about more than money. I recently participated as the 'government expert' in the "Great American Civics Quiz," which was put on by Homer's local public radio station, KBBI. Students from various schools on the Lower Peninsula were contestants. Special congratulations to the quiz winner, Arseni Paloushkin, who is a student at Voznesenka School. On Dec. 2, I attended the Homer Middle School, met with their classes, and participated in a student organized Town Hall Meeting. I also visited the Spring Creek Prison School recently. The whooping cough outbreak in Kachemak Selo delayed my trip to the village school but I plan to visit soon. If you would like to schedule my participation in an educational event or meeting please contact my office at 235-2921.

### **South Peninsula Gun Range**

We have been working with the Kenai Peninsula Borough and the Department of Transportation to secure a twenty-year lease for the Kachemak Gun Club shooting range. There have been several extraneous issues, which have impinged on the lease, but we have finally received an agreement to proceed. We are still pursuing federal capital funds through the Department of Fish and Game and other sources for facility improvements. A controlled gun range for hunter safety training, recreational use, and possibly school clubs, is very much needed on the Lower Peninsula. I want to thank the volunteers who have dedicated themselves to this community project.

## **Seldovia**

Currently, the City owns a medical clinic and contracts its operation with a private doctor. Unfortunately, the City's X-ray machine is antiquated and its parts are no longer manufactured. Replacement of this machine is urgent and one of my top priorities. I have been working with Seldovia's City Manager, the U.S. Dept. of Agriculture, the Denali Commission, and the U.S. Senate's Health Education and Social Services Appropriations Committee to secure funding to replace the X-ray machine. Without an X-ray machine, the Seldovia clinic might not be able to stay open. Loss of primary health care would be a huge obstacle for the economic revitalization of Seldovia.

## **Diamond Creek Land Acquisition**

The Kachemak Heritage Land Trust (KHLT) project has become reality. Our thanks to the Governor for accepting the receipt of the Forest Legacy Funds and also to our delegation for securing funding approval from the U.S. Congress and President Bush. The roughly \$450,000 in federal money, will go towards purchasing land in order to preserve the Baycrest Ski Trails and the Homestead Trail. KHLT still needs to raise the local matching money for this project. If you can give to this worthy cause, please call KHLT at 235-5263.

## **POMV**

The most widely discussed fiscal change in the State's budget would end the system of separate accounting for Permanent Fund income. The change would be to a Percent of Market Value (POMV) calculation for the funds available at the end of each June. A quirk in the present system is that the PFD is calculated on a 5 year average and dividends can only be paid if there is adequate cash in the Income Reserve Account (IRA) at the end of the fiscal year. Twice last year the IRA had a negative value due to stock market decline. POMV is the system used by most endowments and foundations. If we assume a long-term 8% return, most proposals call for 3% inflation proofing, leaving 5% for expenditures. One of the big questions about the POMV formula is how to distribute the 5%. A popular idea is to split the 5% in two, half for PFDs and half for funding state services; this would stabilize the PFD at about \$1000. I believe a bill to implement POMV will pass the legislature but it will need to be voted on by the public as a constitutional amendment before being adopted. If the people of the state perceive POMV as a way to protect future dividends, I think the formula change will pass. Unfortunately, this proposal will not provide any money for next year's budget, because the budget must be finalized before a November 2004 statewide vote could occur. Detailed information on the POMV proposal can be found at the Permanent Fund web site at <http://www.apfc.org>.

## **Fiscal Issues: Income Tax**

The administration has revised the 250 million dollars in projected cuts for the upcoming budget. There is recognition that with high oil prices and possible new revenues, the cuts will not have to be that deep to draw less than \$400 million from the Constitutional Budget Reserve, which is within the Governor's target spending range. The Governor has proposed new revenue ideas to help balance the budget. The administrations multiple taxes stand little chance as a package, though I think the \$100 per worker education tax will be carefully considered. Personally, I have always supported reinstating a state income tax based on the federal tax as the most appropriate way to fund State services; non-resident workers would also contribute to the income tax. An income tax would be easy to file and inexpensive to administer. Rep. Peggy Wilson introduced a new concept in House Bill 321, which would incorporate a \$100 minimum tax. A minimum tax may help overcome some of the current

opposition to an income tax. However, it appears an income tax has no chance in the Senate, so it probably will not be considered in the House.

### **Salmon Task Force**

The Salmon Industry Task Force is dealing with many issues and may end up recommending as many as twenty bills. These prospective bills were discussed in detail Dec. 7 and 8 in Anchorage. The bill proposals can be found on the United Fishermen of Alaska's website at <http://www.ufa-fish.org>. Remember that these are only bill proposals for the legislature to consider and each will need a sponsor to carry the bill through the legislative process. Some of the proposed bills deal with hatcheries, co-ops, the Alaska Seafood Marketing Institute, fishing in more than one area in a year, and tax changes. My "Limited Joint Ventures" bill is also a proposal and is explained in more detail below.

### **Fishery Limited Joint Ventures**

I introduced a bill to the Salmon Task Force that would allow direct market fishermen the ability to pool their resources and form Limited Joint Ventures for the purposes of catching, processing, and selling their seafood products. With the salmon industry declining and a decreasing number of processors, I believe it is necessary to give fishermen more cost-effective ways to get their products to market. The Limited Joint Venture License would allow up to five direct market catcher/seller vessels to work together to process their catches. This bill would not be limited to salmon fishermen; Limited Joint Ventures could afford economical benefits and quality processing options to remote fishermen of cod, skate and other types of seafood.

### **Homeless Kids**

I sponsored a Legislative teleconference to promote discussion among volunteers and agencies that work with and assist homeless kids in Alaska. Valuable ideas were shared and we will continue to work together to find feasible solutions to the growing problem of homeless children across the Peninsula.

### **Affordable Health Care and Insurance**

On November 28, Rep. Cissna and I joined with concerned community members from the Homer area to explore possible innovations and brainstorm new ideas on how to help resident's access health care at a reasonable cost. I am pursuing the new concept of a Healthcare Reimbursement Account (HRA), which could help align patient and provider incentives. Features of this plan include individual healthcare debit cards and payment at the time of service. I hope to bring HRA experts to District 35 to investigate implementing this kind of program in our area.

### **Database for E-Mail Newsletter**

As you may know, I will be sending out a weekly email newsletter during the session. If you have not been getting the newsletter and wish to receive it, please send us an email or sign up on my website at <http://www.RepPaulSeaton.com>. In addition to past and present newsletters, you will find community links and sponsored legislation on my website.

## **Advice on Communicating Effectively with Legislators**

The following ideas are not meant to restrict your communication but are just suggestions based on what I have observed works best. I am sharing these ideas with you so I can better represent you. I suggest writing a short email or letter covering the two or three most important points of the issue you are addressing. State the bill number in the subject line of the email if applicable. Be sure to put your address and phone number on any correspondence you submit; it is helpful to know whose District you are from. If you want particular legislators to pay attention, don't do a broadcast mailing to every office, or each office will assume someone else is taking care of it. If you know which staff person is dealing with the issue, write to them directly. The staff person will make the legislator aware of your important issue when they have gathered the necessary information on the subject.

### **What Works the Best?**

Public Opinion Messages (POMs) are the least effective way to relay important ideas. "Carbon copy" communications are viewed like signatures on a petition, and are not always read. Phone calls are most effective when following-up on written material you have sent in. Letters and emails that are individually written with specifics on subjects that apply to you are likely to get more attention. Prior to testifying at a teleconference, I suggest submitting an outline of your key points to my office or to the committee you are addressing so we can follow along more easily as you are speaking. Submitting written testimony also makes it easier for us to remember your thoughts later on. In-person visits are especially effective if you provide written outlines or proposals; this allows us to focus on your ideas rather than concentrating on taking notes. I use an "auto reply" on my email, so you will know that I received your email. We try to follow up with a phone call or email within a few days of receiving your correspondence in order to address any substantive issues. Calling me at 1-800-665-2689 provides you with easy access to my office. Again, I strongly recommend you follow up any correspondence with a letter or email so that I can review your comments before your issue comes up for discussion or a vote.

I look forward to discussing your ideas and concerns. Best wishes to all for happy and healthy holidays!

Representative Paul Seaton

If you need to contact the staff please click below:

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