

TO: Senator Dole
FR: Kerry
RE: ALEC

*You'll be speaking to an audience of 300--90% of them conservative Republican and Democrat state legislators, and 10% lobbyists and association types.

*Kansas State Rep. Gary Haulmark is the only Kansan attending. He will be in the greeting party.

*In the morning, the group will hear from Gramm and Coverdell. Senator Brown will precede you. Senate Domenici follows you. A White House visit is also scheduled for the morning. The group is quite upset with the treatment they have been given by the White House. They have always met with the President or Vice President, and this year, they have only been promised a tentative meeting with Panetta.

*They are looking for a few minutes of remarks and then Q&A.

will be distributed

6/7/93

THE FACTS ABOUT RECONCILIATION

HOUSE-PASSED BILL VS. SENATE RECONCILIATION INSTRUCTIONS

I. House-passed Reconciliation bill (Dollars in Billions)

Most of the tax increases in the House-passed bill are retroactive to January 1, 1993, but only \$6.2 billion (13.5 percent) of the spending cuts would go into effect before 1996.

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-8</u>
Spending Reductions	1.7	4.5	9.1	14.0	16.6	45.8
User Fees	2.3	2.6	3.9	3.3	3.4	15.5
Revenue Increases	32.7	41.6	54.8	73.8	72.6	275.5
Total	36.7	48.7	67.1	91.1	92.6	336.8
Ratio: Taxes & Fees to Spending Cuts	\$20.68 to 1	\$9.77 to 1	\$6.47 to 1	\$5.52 to 1	\$4.58 to 1	\$6.35 to 1

Note: Based on CBO/JCT Estimates

II. Senate Reconciliation Instructions (Dollars in Billions)

The Senate Finance Committee has the lion's share of the work in the Senate bill. The Committee has been instructed to reduce the deficit by \$307 billion over 5 years. It has jurisdiction over all the tax increases and more than half of the spending cuts -- \$35.2 billion over 5 years -- in the reconciliation bill.

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-8</u>
Spending Reductions*	2.6	3.4	9.4	16.8	22.5	54.7
User Fees*	2.3	2.5	3.9	3.5	3.6	15.8
Revenue Increases	27.3	40.3	57.8	73.5	73.1	272.1
Total	32.3	46.3	71.2	94.0	99.4	343.3
Ratio: Taxes & User Fees to Spending Cuts*	\$11.38 to 1	\$12.59 to 1	\$6.56 to 1	\$4.58 to 1	\$3.41 to 1	\$5.26 to 1

* Numbers based on Senate Committee estimates. Reconciliation instructions do not differentiate between spending reductions and user fees.

Prominent ALEC State Legislators
Attending the 13th Annual Washington Briefing

Speaker-Designate Bobby Hogue, Arkansas House

Sen. Keith Bee, Chair, Arizona House Transportation Committee

Rep. Pat Blake, Chair, Arizona House Human Services Committee

Speaker Bolly Johnson, Florida House

Rep. Roger Halverson, Chair, Iowa House Small Business & Economic Development Committee

Sen. Thomas Wyss, Chair, Iowa Senate Public Policy Committee

Speaker Michael Simpson, Idaho House

Rep. Dorothy Reynolds, Chair, Idaho House Health & Welfare Committee

Sen. Shera Sorenson, Chair, Idaho Senate Health & Welfare Committee

Rep. Donna Jones, Chair, Idaho House Ways & Means Committee

House Minority Leader Ellen Sauerbrey, Maryland

Senate Majority Leader Dick Posthumus, Michigan

Rep. Charlie Troupe, Chair, Missouri House Appropriations Committee

Rep. Larry Thomason, Chair, Missouri House Legislative Research Committee

Senate President Pro Tem Walter A. "Pud" Graham, Mississippi

Rep. David Halbrook, Chair, House Banks and Banking Committee, Mississippi

Senate Minority Leader Bob Shaw of North Carolina

Rep. Cathy Rydell, Chair, North Dakota House Human Services Committee

Senate Majority Leader William J. Raggio of Nevada

Rep. Carolyn Oakley, Chair, Oregon House Education Committee

Senator Joseph Manchin of West Virginia, DLC Leader and Support of Clinton for President Campaign from "Day One" in 1987



June 2, 1993

The Honorable Robert Dole
Minority Leader
United States Senate
Hart Building, Room 141
2nd and C Street, NE
Washington, DC 20510

Dear Senator Dole:

We are pleased and delighted to confirm your participation at the American Legislative Exchange Council's (ALEC) 1993 Washington Briefing, June 10-12. You are scheduled to be our luncheon speaker, Friday, June 11 at 1:00 p.m. in the Russell Caucus Room. Senator Hank Brown will proceed you and Senator Peter Domenici will follow your remarks and Q&A.

Our legislators are looking forward to hearing from you. Should you have any questions or require additional information, please have the appropriate member of your staff contact Mr. Mike Fletcher, our Director of Meetings & Conventions.

Thank you.

Respectfully,

Samuel A. Brunelli
Executive Director

SAB:dmw

Enclosure

ALEC's Washington Briefing
Friday, June 11th
12:30pm - 2:00pm

Lunch
Russell Senate Office Building

- 12:00 Lunch served
- 12:30pm Introduction of Senator Brown
Samuel A. Brunelli, ALEC's Executive Director
- 12:35pm Presentation by Senator Brown
- 12:55pm Introduction of Senator Dole
Representative Harold Brubaker, NC
ALEC's National Vice Chairman
- 1:00pm Presentation by Senator Dole
- 1:20pm Questions and Answers
- 1:30pm Introduction of Senator Domennici
Delegate Ellen Sauerbrey, MD
- 1:35pm Presentation by Senator Domennici
- 1:50pm Question and Answers
- 2:00pm Photo-ops with head table
- 2:15pm Press Availability

**AMERICAN LEGISLATIVE EXCHANGE COUNCIL
1993 WASHINGTON BRIEFING
LUNCHEON, JUNE 11, 1993
12:00 NOON**

HEAD TABLE PLACEMENT

MR. MARTIN GARBER
PHILLIPS PETROLEUM

SENATOR JIM NEAL, DELAWARE

SENATOR ROBERT DOLE, KANSAS

REPRESENTATIVE MARY FALLIN, OKLAHOMA

DR. RICHARD FINK, KOCH INDUSTRIES

MR. SAM BRUNELLI, ALEC

PODIUM

REPRESENTATIVE HAROLD BRUBAKER, NORTH CAROLINA

SENATOR PETE DOMENICI, NEW MEXICO

SENATOR HANK BROWN, COLORADO

MR. AL AUGER, COORS BREWING COMPANY

DELEGATE ELLEN SAURBREY, MARYLAND

MS. JANE CAHILL, COASTAL CORPORATION

AUDIENCE

M. D. GARBER, JR.
MANAGER POLITICAL AND STATE AFFAIRS
CORPORATE RELATIONS AND SERVICES
PHILLIPS PETROLEUM COMPANY

M. D. (Martin) Garber, Jr., is manager political and state affairs at Phillips Petroleum Company. He is responsible for monitoring state legislative and regulatory initiatives and directing federal and state grassroots activities on behalf of the company. He also serves as chairman of Phillips Petroleum Company Political Action Committee ("66PAC"), and directs corporate political contributions.

Garber was named to his present position in 1988, after seven years as political and association affairs director in governmental relations. Garber began his career with Phillips in 1967 as an industrial relations trainee in Bartlesville.

From 1971 to 1973, he served as a loaned executive and commissioner of the State Board of Public Affairs in Oklahoma City. He returned to service of the company in 1973 as industrial relations director for the western division of exploration and production. In 1974, he was selected to represent Phillips in Washington, D.C. as Federal Relations Representative. In 1978, Garber was appointed to the position of assistant to the president and was selected to assist the American Petroleum Institute in organizing an industry outreach program.

- 2 -

Garber is active in civic, political and professional organizations. He serves on the National Association of Manufacturers National Public Affairs Steering Committee and the U.S. Chamber of Commerce Public Affairs Committee. In addition, he is a member of the American Petroleum Institute, the energy resources committee of the Interstate Oil and Gas Compact Commission, and is on the board and serves as past Chairman of the National Association of Business Political Action Committees. He recently served as vice-chairman of the Oklahoma Tourism and Recreation Commission at the request of the Governor of Oklahoma and currently serves as vice chairman of the Board of Regents of Tulsa Junior College.

A native of Enid, Oklahoma, he graduated from high school in Bethesda, Maryland, and served in the U.S. Army Adjutant General Corps. He attained the rank of Captain and was the recipient of a distinguished service award. Garber received a bachelor's degree in business management from the University of Oklahoma in 1961, and has done post graduate work at Oklahoma City University.

Garber and his wife, Karen, live in Bartlesville. They have three children.

As your State Senator, Jim Neal has worked successfully to:

ENCOURAGE FISCAL RESPONSIBILITY . . .

- State spending limited to 98% of revenues
- tax credit for child care expenses.
- increase income tax exclusion for senior citizens.
- assure effective use of federal funds as a member of Delaware Private Industry Council and State Clearinghouse.
- Ten state balanced budgets and five income tax cuts

IMPROVE ETHICS IN GOVERNMENT . . .

- introduced legislation for ethics guidelines for all legislators.
- financial disclosure requirements enacted.

IMPROVE PUBLIC EDUCATION . . .

- legislation for handicapped children.
- school equalization funding formula.
- pay increase for teachers and other education personnel.

JIM NEAL

STATE SENATOR

— REPUBLICAN —

Experience
Effectiveness
Leadership



... AND
MORE NEEDS TO BE DONE!



Jim Neal in our state

- State Senator since 1980.
 - Senate committees: Education, Revenue & Taxation, Public Safety, Labor & Industrial Relations.
 - Joint Senate/House Capital Appropriations Committee.
 - Clearinghouse Committee.
- Member, Executive Committee, Delaware Private Industry Council.
- Member, Delaware Economic and Financial Advisory Committee, 1987.
- State Representative 1978-80.

Jim Neal in the community

- Served on Newark City Council 1973-78, including three years as Deputy Mayor.
- Board of Directors, Newark Housing for Senior Citizens Inc.
- Board of Directors, Parent Information Center.
- Member, Newark Housing Ministry.
- Sponsor, Newark American Little League and Babe Ruth baseball teams.

Jim Neal the individual

- 22-year homeowner in Newark area.
- Jim and his wife, Nancy, have three children, all graduates of Newark High School.
- Employed with the Du Pont Company as a project engineer.
- Member, First Presbyterian Church.
- Member, Common Cause and the Wilderness Society.
- Served two years on active duty with the U.S. Army.

"WE STILL HAVE MORE TO DO."

Dear Neighbor,



It has been a privilege to serve the Newark area for the past 15 years, first in local and now in state government.

Getting to know the citizens of our community, their needs and their hopes, has underscored my commitment to the most vital responsibilities of government: public education, fiscal management and responsible growth. Together we have accomplished a lot, but we still have more to do.

We need to explore and develop new models for educating many students who either drop out before graduation or leave school achieving less than their best. Too many students aren't finding their way to the career opportunities that exist.

Public education also needs greater flexibility to adopt effective programs to educate the handicapped.

We must find new ways to fund capital projects in order to reduce Delaware's bonded debt — now at the third-highest per-capita level in the nation. Other options, such as leasing private facilities, should be explored.

In addition to addressing these issues, I will continue to work for legislation that will enable local governments to better manage growth by permitting development *after* the necessary roads, sewers and other services are put in place.

I ask for your support as we make Delaware an even better place to live and work.

Sincerely,

P.S. If you have any questions or concerns, please call me at 731-4267, or write to me at 50 Bridle Brook Lane, Newark, DE 19711.

JIM NEAL • STATE SENATE

JO FOR BY CITIZENS FOR NEAL COMMITTEE/ROBERT M. WHITMAN, TREASURER

RICHARD H. FINK

Dr. Richard Fink joined Koch Industries, Inc. as Vice President for Government and Public Affairs in March 1990, after serving as Executive Vice President for University Advancement and Planning and Associate Professor of Economics at George Mason University in Fairfax, Virginia. In 1984, Dr. Fink founded Citizens for a Sound Economy, a 250,000 member citizens group in Washington, D.C. Dr. Fink served as President of CSE until 1989 and he presently chairs the Executive Committee. In 1978, Dr. Fink founded George Mason's Center for the Study of Market Processes and served as its Director until 1984. He continues to work with the Center as a member of its Board which he also chaired from 1984 to September 1990.

Dr. Fink was a member of the Consumer Advisory Council of the Federal Reserve Board from 1987 to 1989 and also the President's Commission on Privatization from 1987 to 1988.

Dr. Fink graduated magna cum laude from Rutgers University and was elected to the Phi Beta Kappa Honors Fraternity. He received his masters degree from the University of California at Los Angeles and his doctorate from New York University. Dr. Fink is married and has four children.

Current Affiliations:

- Citizens for a Sound Economy - Board Member
- Citizens for a Sound Economy Foundation - Board Member
- Humane Studies Foundation - Chairman
- Claude Lambe Foundation - Board Member
- International Institute, George Mason University - Board Member
- Public Choice Center, George Mason University - Board Member
- Reason Foundation - Board Member

Speaker Biographies Continued



The Honorable William Barr

Mr. William Barr was sworn in by President Bush in November 1991 as U.S. Attorney General. Previously, Mr. Barr served as Deputy Attorney General from May 1990 to August 1991. Mr. Barr also served in the Justice Department as Assistant Attorney General for the Office of Legal Counsel, a position known as the "Attorney General's lawyer." Mr. Barr has also held positions on the Domestic Policy staff at the White House from 1982-1983 and with the Central Intelligence Agency from 1973-1977.



Representative Pat Blake

Representative Pat Blake was first elected to the Arizona State Legislature in 1990, after serving for four years on the Mesa, Arizona City Council. She currently is a member of ALEC's Task Force on Health Care. In 1991 she was named as Mesa Outstanding Woman of the Year.



Clint Bolick

Mr. Bolick is Vice President and Director of Litigation at the Institute for Justice, which he co-founded in August 1991. The Institute for Justice is a public interest law firm specializing in cases dealing with economic liberty, parental choice in education, property rights, and the First Amendment. From 1988-1991, Mr. Bolick served as Director of the Landmark Center for Civil Rights where he was the principle attorney in the Wisconsin school choice case. Mr. Bolick has also served in the U.S. Department of Justice, Civil Rights Division; and at the Equal Employment Opportunity Commission.

David Beier

Mr. David Beier is Vice President of Government Affairs for Genentech. Prior to joining Genentech, Mr. Beier served as Counsel for the Committee on the Judiciary, U.S. House of Representatives, and Assistant Counsel for the Committee on Sentencing, New York State Executive Board. Mr. Beier is also an Adjunct Professor at Brooklyn Law School and at the School of Criminal Justice, Rochester Institute of Technology.

Richard E. Bessey

Mr. Richard E. Bessey works in the Distance Learning program with Northern Corporation. He is responsible for development and implementation of Northern's corporate education and distance learning strategy. These duties include developing relationships with carriers and system suppliers, participating in community affairs and training Northern's local marketing and sales organization.



Samuel A. Brunelli

Mr. Sam Brunelli assumed his position as Executive Director of the ALEC in October 1988. Prior to this, he served as Director of Intergovernmental Affairs at the U.S. Department of Education, where he was responsible for the Department's relations with state elected officials, Congress, the White House, and other government or independent agencies. Prior to joining the Reagan Administration, Mr. Brunelli established and operated Brunelli Farms, a multi-million dollar agricultural operation, and served as a consultant to the agriculture and energy industries. Many will remember Sam Brunelli from his days as a professional football player with the Denver Broncos.



The Honorable Mike Bird

Senator Mike Bird has been a Professor of Economics at Colorado College since 1968, and was a Fulbright Professor in Mexico from 1966-1968 and in Peru in 1971. He has also held numerous political offices including his current position of Colorado State Senator. In his Senate tenure, Senator Bird has served as chairman and vice chairman of the Joint Budget Committee, the Senate Appropriations Committee and as vice chairman of the Senate Finance Committee. In his public service, Senator Bird also served as Colorado House of Representatives from 1982-1984, President of the Colorado Municipal League from 1978-1979, Vice Mayor of Colorado Springs from 1979-1981, and the Colorado Springs City Council from 1973-1977.



Robert "Jay" Buchert

Mr. Jay Buchert is the president of the National Association of Home Builders and is President and Founder of the Cincinnati-based American Heritage Construction and Development. He served on President Reagan's Private Sector Initiative Committee and as a member of the Small Business Administration's National Advisory Council and the Federal Home Loan Bank in the Bush Administration.

THE LEGISLATIVE BRANCH

335



Harold James Brubaker

(Republican - Randolph County)

Thirty-eighth Representative District -
Randolph (part) County.

Early Years: Born in Mount Joy, Pennsylvania, November 11, 1946, to Paul N. and Verna Mae (Miller) Brubaker.

Education: Pennsylvania State University, 1969, B.S. (Agricultural Economics); NC State University, 1971, Masters (Economics).

Professional Background: President, Brubaker & Associates, Inc. (real estate appraisals, and consultant).

Organizations: Randolph County Farm Bureau; Grange; NC Holstein Association; 4-H Club leader (former President, NC Development Fund); Director, Salvation Army; former Director, Westside Volunteer Fire Department, Randolph Technical College Foundation, National Conference on Citizenship; former Vice President, National FFA.

Political Activities: Member, NC House of Representatives, 1977-78, 1979-80, 1981-82, 1983-84, 1985-86; 1987-88, 1989; House Minority Leader, 1981-82, 1983-84; Joint Caucus Leader, Republican Members of the NC General Assembly, 1979-80; Executive and Central Committees, NC Republican Party (former Assistant Secretary); Executive Committee, Randolph County Republican Party; Executive Committee, National Association for Republican Legislators; former Executive Committee member, 4th District Republican Party; Co-Chairman, NC Reagan-Bush Committee, 1980; delegate at large, National Republican Convention, 1980; Chairman, Randolph County Young Republicans, 1971; State Chairman, American Legislative Exchange Council, 1982-1989. Member of National Board of Directors of the American Legislative Exchange Council, 1988-Present.

Honors: Outstanding Young Men in NC, 1981; Outstanding 4-H Alumni of NC, 1981; Distinguished Service Award, 1981.

Religious Activities: Member, St. John's Lutheran Church; Congregation Chairman; Past Vice Chairman, Deacon Board.

Family: Married, Geraldine Baldwin, November, 1972. Children: Jonathon Nissley and Justin Andrew.

COMMITTEE ASSIGNMENTS

Vice Chairman: Financial Institutions

Vice Chairman: Legislative Redistricting

Member: Agriculture (Subcommittee on Crops and Animal Husbandry);

Appropriations (Subcommittee on Base and Expansion Budget on Justice and Public Safety);

Human Resources (Subcommittee on Health and Mental Health);

New Licensing Boards



Coors Brewing Company
Golden, Colorado 80401-1295

ALLAN E. AUGER

Director of State Government Affairs
Coors Brewing Company

Allan E. Auger is director of state government affairs for Coors Brewing Company. His area of responsibility includes managing and coordinating the state government affairs department which includes legislative and regulatory activity in the 50 states.

Born on July 31, 1937, in San Antonio, Texas, Mr. Auger graduated from Arizona's Tucson Senior High School in 1955. He went on to receive his Bachelor of Science degree from Colorado State University in 1960. Mr. Auger is a graduate of the CSU Executive Development Program as well as Steven Covey's Executive Excellence Seminars.

Mr. Auger came to Coors in 1981 as manager of government affairs. He assumed his current position in the fall of that same year.

Prior to joining Coors, Mr. Auger was the director of state and federal government affairs, corporate communications, and philanthropic programs for the Great Western Sugar Company.

Mr. Auger has been active in numerous professional organizations during his career. Some recent associations include president of the Denver Agricultural and Livestock Club, president of the Colorado Lincoln Club, board member of Colorado Recycles Now!, member of the Denver Chamber Public Policy Committee, member of Colorado Association of Commerce and Industry Legislative Council, active involvement with the Beer Institute, and board member of the American Legislative Exchange Council. In the past, he also has been involved with numerous civic organizations.

Mr. Auger resides in Golden, Colorado with his wife Judy. He has two daughters and one son. Mr. Auger enjoys skiing, climbing 14,000' mountains, Southwest Art, and reading.

revised 7/2/92



Recycled Paper

Bob
Fu)
SAM

ELLEN R. SAUERBREY, MINORITY LEADER, MARYLAND HOUSE OF DELEGATES
DISTRICT 10, BALTIMORE COUNTY

EDUCATION:

Towson High School and Western Maryland College. Graduated 1959 summa cum laude, with degrees in Biology and English.

PROFESSIONAL BACKGROUND:

Elected to House of Delegates 1978.

Minority Leader (1986-), House Ways and Means Committee, Legislative Policy Committee, Rules and Executive Nominations, Spending Affordability Committee.

1978-86 House Economic Matters Committee, Joint Committee Small Savings and Loans, Joint Committee on Tax and Spending Limitation, Joint Committee on Sunset Review, Joint Committee on Federal-State Regulations.

American Legislative Exchange Council: National Chairman (1990); Former: Chairman, Finance Committee; Chairman, Task Force on Civil Justice; National Treasurer; National Secretary.

Southern Legislative Conference: member Economic Development, Commerce and Trade Committee; previously served on Agriculture and Rural Affairs and Consumer Protection Committees.

Women Legislators of Maryland, National Order of Women Legislators.

Manager of 1970 U.S. Census of Baltimore, Carroll, and Harford Counties, supervising over 400 employees. Commendation from Secretary of Commerce for being one of the first large offices in the United States to complete the census (under budget) and close down.

Science Department Chairman at Ridgely-Dulaney, 1960.

Taught biology at Towson town and Ridgely-Dulaney, Baltimore County School system.

Beta Beta Beta (Biology Honorary Fraternity).

POLITICAL ACTIVITIES:

Republican National Convention Platform Committee, 1988: Chairman, Subcommittee on the Economy, Jobs and the Budget.

Delegate to 1968, 1976, 1984 (Credentials Committee) and 1988 Republican National Conventions.

Past State Vice-President, Maryland Federation of Republican Women.

Elected in 1966 and 1970 to Republican State Central Committee.

Past President, Baltimore County Federation of Republican Women, GOPhers, and Ninth District Republican Club.

Substitute member, Baltimore County Board of Election supervisors.

Co-founder, Maryland Taxpayers Coalition.

Selection Panel, President's Commission on White House Fellows.

page 2

CURRENT AND PRIOR COMMUNITY SERVICE:

Trustee of Franklin Square Hospital.
Board of the Sexual Assault and Domestic Violence Center.
Governing Trustee of Maryland Council on Economic Education.
Private/Public Sector Task Force, Affordable Housing.
State Secretary and Board of Directors, Multiple Sclerosis Society.
Chairman, Citizens Committee that worked for 18 months with the Baltimore County Board of Education to strengthen social studies curriculum.
U.S. Service Academies Review Board.
Contributor to "Congressional Rollcall," a column in The Jeffersonian which monitored voting records of Maryland Senators and Congressmen.
President of Methodist Women's Society, Youth Fellowship Director, and choir member of Providence Methodist Church.

HONORS AND AWARDS:

Public Service Awards/Recognitions:

Baltimore Association of Retarded Citizens, 1989.
Maryland Red Cross, 1986.
Disabled American Veterans, 1983.
Institute of Homebuilders, 1979 and 1986.
Advocates for the Handicapped, 1986.
Greater Baltimore Association of Realtors, 1987.
Maryland Rental Equipment Association, 1989.
Maryland Coalition Against Crime, 1986.
National Federation of Independent Business, 1990.

Legislator of the Year:

American Legislative Exchange Council, 1987.
Associated Builders and Contractors, 1981.

Alumni of the Year:

Western Maryland College, 1988.

PERSONAL:

Married to Wilmer J. E. Sauerbrey, a graduate of Lehigh University and an engineer and realtor; restoring a pre-Civil War home at their farm in Sweet Air. Member of Chestnut Grove Presbyterian Church. Ellen and Wil are members of the Greater Jacksonville Community Association, the Maryland Farm Bureau, Baltimore Kickers, the Edelweiss Club, and the Citizens' Alliance of Northern Baltimore County.

Home Address: 4122 Sweet Air Road, Baldwin, Maryland 21013.
Home Telephone: 301/592-6707 Office: 301/841-3401.



JANE A. CAHILL
DIRECTOR
GOVERNMENT AFFAIRS
ANR PIPELINE COMPANY

Jane Cahill, Director of Government Affairs for the Coastal Corporation, is responsible for the Midwest Region. Coastal is a Houston-based energy holding company. It has consolidated assets of more than \$9 billion and subsidiary operations in natural gas transmission and storage, gas and oil exploration and production, refining and marketing, coal and chemicals and independent power production.

Since 1983, Jane has been a partner/owner in a public affairs firm which specializes in government and media relations, corporate planning and political and community organization.

In addition to her business experience, Jane has managed a variety of public sector programs. Her public service experience includes coordinating training programs as a part of President Carter's White House Rural Initiative, managing health and human services programs, directing a pro-bono legal aid program and operating a manpower training organization.

ANR Pipeline Company

A SUBSIDIARY OF THE COASTAL CORPORATION
2145 EAST 11TH STREET, STE. 400 • HOUSTON, TEXAS 77002 • (713) 608-2501 • FAX 608-2511-7200

June 11

MEMORANDUM

JUNE 2, 1993

TO: SENATOR DOLE
FROM: JO-ANNE
SUBJ: PENDING REQUESTS/INVITATIONS -- IN-TOWN

Friday, June 11. 12:00 PM - Lunch. Russell Caucus Room. Invitation to speak to 13th Annual Washington Briefing meeting of American Legislative Exchange Council (ALEC). ALEC membership is 3,000. Attending this meeting will be 300 bi-partisan legislative and corporate sector leaders (230 Legislative leadership, rest are corporate). The Republican State Legislators will be delegates to the 1996 GOP Convention. Phil Gramm speaking at their breakfast. In the past, Republican Presidents have spoken to the group, but they're getting the run-around from the Clinton White House. Other speakers this year will be Stenholm, Coverdell and Hank Brown. You are their number one choice for speaker.

ACCEPT *[Signature]*_____
REGRET



Fri, June 11

8:00 AM or
LUNCH

Attendance 300

Washington Renaissance
Hotel

May 12, 1993

The Honorable Robert Dole
Minority Leader
United States Senate
Hart Building, Room 141
2nd and C Streets, N.E.
Washington, DC 20510

Dear Senator Dole:

5-20-93
Mike Fletcher

No \$

The American Legislative Exchange Council (ALEC) will host its 13th annual *Washington Briefing* on June 10-12 at the Washington Renaissance Hotel. On behalf of the Board of Directors and the 3,000 members of ALEC, it is my personal pleasure and honor to invite you to be our keynote speaker at breakfast on Friday, June 11, at 8:00 a.m.

More than 300 ALEC legislative and corporate sector leaders will participate in this outstanding public policy forum. The bipartisan legislative contingent expected to participate in the *Washington Briefing* represents ALEC's key leadership from both the Democratic and Republican parties. This annual event affords our membership with a unique opportunity to receive firsthand valuable insights and information about national issues affecting state public policy from the President, Members of Congress and Cabinet Members.

The *Briefing* reinforces ALEC's goal to maintain its position as the most important state-oriented public policy organization in the country, and concurrently serve as a major action link between the White House, Congress and the State Capitals. ALEC's continuing objective is to actively promote a pro-growth, pro-free enterprise and pro-freedom agenda through legislative action, thus enhancing America's competitive edge worldwide. Perhaps most importantly, by advocating those policies that encourage economic independence, the ALEC program helps ensure individual liberty for all Americans.

Thank you Senator Dole for your consideration of this request. Should you have any questions concerning ALEC or the *Washington Briefing*, please have your cognizant staff member contact Mr. Robert W. Bennett, ALEC's Chief of Staff, or Mr. Michael Fletcher, ALEC's Director of Conferences and Membership Services, at (202) 547-4646.

The ALEC membership and I personally look forward to your participation and the pleasure of your company.

Very respectfully,

Sam Brunelli

Samuel A. Brunelli
Executive Director

5-17-93 Interim letter



Issue Analysis

Volume 19, Number 1

May, 1993

Big Time Unemployment

*The Economic Consequences
of the BTU Tax*

By
Samuel A. Brunelli
Executive Director
and
Tracey Pribble
Legislative Director
for the
Energy, Environment and Natural Resources Task Force

Senator William J. Raggio, Nevada
National Chairman

Samuel A. Brunelli
Executive Director

Issue Analysis

Big Time Unemployment: The Economic Consequences of the BTU Tax
By Samuel A. Brunelli and Tracey Pribble

© May 14, 1993

American Legislative Exchange Council
214 Massachusetts Avenue, N.E.
Suite 240
Washington, D.C. 20002

Price to non-members: \$7.00 Publications Order Code: ER 11

Issue Analysis is published by the American Legislative Exchange Council (ALEC) as part of its mission to discuss, develop and disseminate public policies which expand free markets, promote economic growth, limit government and preserve individual liberty. ALEC is the nation's largest bipartisan, voluntary membership organization of state legislators, with 2,400 members across the nation. ALEC is governed by a 21 member Board of Directors of state legislators, which is advised by a 23 member Private Enterprise Board representing major corporate and foundation sponsors.

ALEC is classified by the Internal Revenue Service as a 501(c)(3) non-profit public policy educational organization. Individuals, philanthropic foundations, corporations, companies, or associations are eligible to support ALEC's work through tax-deductible gifts.

Nothing written herein is to be construed as necessarily reflecting the view of the American Legislative Exchange Council, its Board of Directors, or its membership, or as an attempt to aid or hinder the passage of any bill before the Congress or in state legislatures.

Big Time Unemployment

The Economic Consequences of the BTU Tax

Introduction

The Administration has proposed an energy tax as part of its deficit reduction plan. The proposed energy tax would be levied primarily on the heat content of oil, coal, and natural gas. The heat content would be measured in terms of British Thermal Units, BTUs -- that is, the amount of heat required to increase the temperature of a pound of water one degree Fahrenheit.

Proponents of the energy tax contend that deficit reduction, economic growth, and energy conservation can be accomplished through the enactment of a BTU tax. Opponents of the tax contend that the enactment of the BTU tax will increase the federal deficit, inhibit economic growth, create a greater reliance on foreign oil, and negatively impact state budgets.

The BTU Tax

The Administration's proposed BTU tax would impose a 25.7 cent tax on coal, natural gas, nuclear power, and oil for every million BTUs. In addition, a supplemental tax of 34.2 cents per million BTUs would be assessed on oil --- thus making the effective tax on oil 59.9 cents. Hydroelectric power would be taxed at a rate determined by a formula developed by the Treasury Department based on equivalent fossil fuel inputs. Energy generated by the sun, wind, alcohol fuels, ethanol and methanol would be exempted from the tax.

(Congress is currently considering exempting heating oil, diesel and gasoline used on farms, energy used to produce aluminum, and fossil fuels used to generate electricity. It is also considering deleting the exemptions for grain alcohol and methanol fuels.)

The BTU tax would be phased in over three years beginning in 1994, and would automatically increase with inflation after 1997. This is the first time that a federal tax rate would be indexed to inflation, and sets a dangerous precedent that could be emulated in other taxes.¹ Federal revenue from the tax is projected to be \$70 billion over the next five years, and \$22 billion per year thereafter.

The Impact of the BTU Tax

The proposed BTU tax will increase the cost of energy, invariably raising the cost of virtually every product and service, in the nation. According to the U.S. Office of Management and Budget the estimated impact on a typical household, in terms of direct and indirect cost increases, is \$320 -- some private estimates reach as high \$475 per year. However, according to analysis by Dr. Arthur Hall, senior economist at the Tax Foundation, the tax burden will not be distributed evenly throughout the nation. Individuals living in energy intensive states will bear a disproportionate amount of the total BTU tax burden (See Table: "1996 BTU Tax Burden Per Capita/Household," pg. 2)

The increased burden on the average household's budget will cause consumers to cut back on their spending. Producers, from farmers to factories, will trim their operations in response to the decrease in consumer demand -- which will result in lower economic growth, wages and lost jobs. Once again, energy intensive states will bear a disproportionate amount of the total BTU tax burden.

The BTU Tax Equals Big Time Unemployment

The BTU tax will cause an across the board rise in production costs, it will impede America's international competitiveness and provide overseas competitors with a clear advantage, both in domestic and international markets. This stifling of economic growth, during a period of economic recovery, will strangle much needed business expansion, job growth, and investment. Many industries, from petrochemicals to agriculture, will likely experience significant job losses. Nationwide, an estimated 416,000 jobs will be lost, which is equivalent to giving a "pink slip" to nearly every employee in metropolitan Buffalo. (See Table: "Estimated BTU Tax Job Destruction," pg. 4.)

The BTU Tax Would Increase Dependence on Foreign Oil

The Administration's proposal would levy a tax on oil during the production stage, placing the American oil industry at a significant cost disadvantage relative to foreign oil producing nations. Therefore, the result would be an increase in the nation's dependence on cheaper foreign oil, rather than a decrease as proponents claim. The Congress is considering changing the

1996 BTU Tax Burden Per Household/Per Capita

State	Per Household	Per Capita	State	Per Household	Per Capita
Alabama	\$286.20	105.50	Nebraska	231.50	87.00
Alaska	844.40	280.00	Nevada	230.50	83.70
Arizona	183.70	67.00	New Hampshire	162.20	60.30
Arkansas	240.70	90.40	New Jersey	221.90	79.90
California	193.10	66.00	New Mexico	301.70	105.80
Colorado	195.40	74.20	New York	148.10	54.50
Connecticut	163.30	61.10	North Carolina	212.30	79.30
Delaware	261.50	95.00	North Dakota	349.20	132.50
Florida	163.50	63.20	Ohio	248.20	92.80
Georgia	240.40	85.90	Oklahoma	307.60	116.90
Hawaii	230.50	72.30	Oregon	230.80	87.10
Idaho	283.40	98.50	Pennsylvania	217.90	81.90
Illinois	230.80	84.00	Rhode Island	141.40	53.20
Indiana	324.40	119.40	South Carolina	260.40	92.00
Iowa	231.90	88.30	South Dakota	215.70	79.50
Kansas	299.20	113.30	Tennessee	259.40	97.10
Kentucky	289.10	107.40	Texas	442.80	154.90
Louisiana	639.50	225.50	Utah	277.40	84.20
Maine	214.30	80.70	Vermont	164.60	61.30
Maryland	190.50	68.60	Virginia	219.90	80.20
Massachusetts	163.60	61.40	Washington	286.30	106.80
Michigan	219.40	80.10	West Virginia	321.10	122.90
Minnesota	219.40	81.60	Wisconsin	205.60	75.60
Mississippi	282.00	99.10	Wyoming	646.50	237.50
Missouri	206.50	78.50	Dist. of Col.	186.10	77.80
Montana	303.20	114.80			

Source: Tax Foundation computations using
 U.S. Department of Energy consumption data.

tax collection point to the retail level, which would place American and foreign oil on more even footing.

BTU Tax Impact on Farms and Industries

The impact of the Administration's proposed BTU tax would have on agriculture is illustrative of its effect on a wide range of industries. Keith Collins of the U.S. Department of Agriculture testified before the House Agriculture Committee that the cost of production for American agriculture would increase by as much as \$900 million. The North Dakota State University Cooperative Extension Service conducted a study that found that the typical farmer growing wheat, barley, and sunflowers in North Dakota would lose \$1,200 in annual income if the proposed BTU tax was enacted. This would result in a seven percent drop in the average income of these farmers, from \$17,000 to \$15,800.² (See Chart: "Farm Annual Income Losses Due to BTU Tax," pg.4.)

Farms provide an excellent case study of the effects of the BTU tax on small businesses that rely on energy and petrochemical products. The same set of effects could be found in many businesses engaged in transportation, manufacturing, and services.

As expected, the political battling over the BTU tax has led Congress to consider proposals to exempt farms, as well as other selected industries, from the effects of the BTU tax. Members of Congress are now engaged in a process to protect the interests of their states or districts from the effects of a "broad based" energy tax. Though the more powerful members of Congress may be able to win exemptions for their constituents, in the end the economic consequences of the BTU tax will be felt by all Americans.

BTU Tax Impact on State Budgets

One of the stated objectives of the BTU tax, in addition to raising federal revenues, is to reduce energy consumption. If the BTU tax is implemented as proposed, the average consumer can expect to pay eight cents more per gallon of gasoline, which will depress consumer consumption (this increase is on top of the proposed extension of the 2.5 cents per gallon federal gasoline tax that was enacted as part of the 1990 budget agreement.)³

However, one of the unintended consequences of lower energy consumption is a reduction in state

revenues from gasoline and other energy taxes. The total loss to the states of an increase of ten cents in federal gasoline taxes would exceed \$5 billion over five years.⁴ Since states operate under balanced budget requirements, this reduction of states' revenues would have to be replaced from other sources. Because this loss in revenue would be perceived as a reduction in revenues, it is highly likely that states would increase taxes in other areas rather than make the tough political choice of cutting spending. In other words, the BTU tax would be followed by a "shadow tax" at the state level. In either case, it is another example, like unfunded federal mandates, of the federal government "exporting" its deficit to the states. (See Table: State Revenue Loss from Increased Gasoline Tax," pg. 5.)

Conclusion

Though deficit reduction and energy independence are worthwhile goals, the proposed BTU tax will not achieve either. Instead, economic growth will be stifled, American industry will be put at a disadvantage relative to foreign competition, family budgets will be burdened, and American workers will suffer serious job losses. Rather than helping the economy recover, the BTU tax will drain the nation's economic engine of energy and fuel the fires of recession.



Endnotes

1. According to Paul Merski from Citizens for a Sound Economy, "...the BTU tax would be allowed to automatically increase with inflation. This would institute the first tax ever to be indexed with inflation to create unlegislated tax increases." "BTU Tax Would Pump Up Gas Prices," Budget Impact Statement, Number 4, May 5, 1993, Citizens for a Sound Economy.

2. "Clinton's BTU Tax Plants Burden on Farmers," Budget Impact Statement, Number 5, May 12, 1993, Citizens for a Sound Economy.

3. "BTU Tax would Pump Up Gas Prices," Budget Impact Statement, Number 4, May 5, 1993, Citizens for a Sound Economy.

4. According to Kent Jeffreys of the Competitive Enterprise Institute, "Currently, state level gasoline taxes range from 7.5 cents to 26 cents per gallon. Forty-five states charge more than 15 cents per gallon," "Running on Empty," Compete, January, 1993.

Estimated BTU Tax Job Destruction

State	Job Loss	State	Job Loss
Alabama	5,952	New Hampshire	1,791
Alaska	1,596	New Jersey	11,773
Arizona	5,611	New Mexico	2,994
Arkansas	3,586	New York	26,936
California	46,876	North Carolina	10,028
Colorado	6,897	North Dakota	1,090
Connecticut	5,583	Ohio	17,640
Delaware	1,046	Oklahoma	9,168
Florida	17,433	Oregon	4,045
Georgia	9,126	Pennsylvania	19,537
Hawaii	1,407	Rhode Island	1,625
Idaho	1,517	South Carolina	4,698
Illinois	18,901	South Dakota	1,040
Indiana	8,622	Tennessee	7,467
Iowa	3,960	Texas	40,588
Kansas	5,389	Utah	2,844
Kentucky	7,578	Vermont	948
Louisiana	9,690	Virginia	9,687
Maine	1,052	Washington	6,866
Maryland	6,533	West Virginia	4,712
Massachusetts	10,716	Wisconsin	7,471
Michigan	13,980	Wyoming	2,093
Minnesota	7,374	Dist. of Col.	2,020
Mississippi	3,570		
Missouri	7,858		
Montana	1,442		
Nebraska	2,282		
Nevada	3,397		
		United States	416,039

(Job loss error due to rounding)

Source: Citizens for a Sound Economy

Farm Annual Income Losses Due to BTU Tax

Wheat, barley, and sunflower farm in North Dakota	\$1,200
600 acre farm in South Dakota	\$2,400
1,300 acres of 1/4 irrigated cotton and wheat in Texas	\$2,650
800 acres of irrigated corn and soybeans in Nebraska	\$1,642
721 acres of irrigated corn and soybeans in Nebraska	\$ 513
2,500 acre wheat farm in Kansas	\$2,400

Sources: Agricultural extension services, state farm bureaus.

State Revenue Loss From Increased Gasoline Tax

(In Millions of Dollars)

State	Five Year Total Loss From Ten Cent Increase	State	Five Year Total Loss From Ten Cent Increase
Alabama	\$66	New Hampshire	22
Alaska	24	New Jersey	103
Arizona	71	New Mexico	34
Arkansas	57	New York	162
California	472	North Carolina	185
Colorado	75	North Dakota	17
Connecticut	92	Ohio	240
Delaware	21	Oklahoma	72
Florida	175	Oregon	54
Georgia	122	Pennsylvania	158
Hawaii	25	Rhode Island	27
Idaho	26	South Carolina	72
Illinois	235	South Dakota	18
Indiana	106	Tennessee	126
Iowa	74	Texas	378
Kansas	60	Utah	29
Kentucky	79	Vermont	15
Louisiana	101	Virginia	144
Maine	24	Washington	114
Maryland	107	West Virginia	74
Massachusetts	160	Wisconsin	121
Michigan	159	Wyoming	17
Minnesota	93	Puerto Rico	6
Missouri	96	Dist. of Col.	16
Montana	31	Other	183
Nebraska	41		
Nevada	21		
		Total	\$5,067

Source: National Association of State Budget Officers
and Federal Funds Information for States.

SENATOR BOB DOLE

TALKING POINTS

ALEC MEETING

***THANK YOU. IT'S A
PLEASURE TO BE HERE. I KNOW
YOU'VE HEARD FROM LOTS OF
SPEAKERS THIS MORNING, AND
THERE'S MORE TO COME THIS
AFTERNOON, SO I'LL KEEP MY
REMARKS SHORT, AND LEAVE**

**TIME FOR YOUR QUESTIONS,
COMMENTS, AND CONCERNS.**

***WHENEVER I SPEAK TO
STATE LEGISLATORS, I CAN'T
HELP BUT REMEMBER THAT MY
POLITICAL CAREER BEGAN IN
THE KANSAS STATE
LEGISLATURE A FEW YEARS
BACK. BACK THEN WE
RECEIVED \$350 A YEAR, PLUS \$7
A DAY IN EXPENSE MONEY**

**WHEN THE LEGISLATURE WAS IN
SESSION.**

**OF COURSE, UNDER THE
CLINTON ECONOMIC PLAN,
SOMEONE MAKING THAT MONEY
IS CLASSIFIED AS "RICH."**

***I KNOW YOU WERE DOWN AT
THE WHITE HOUSE EARLIER
TODAY, AND HOPE YOU FOUND
SOMEONE WHO WAS IN
CHARGE.**

***SINCE THERE ARE BOTH
DEMOCRATS AND REPUBLICANS
HERE TODAY, ~~SO~~ I'LL TRY TO
KEEP FROM GETTING
PARTISAN....**

***AND LET ME BEGIN BY
SAYING THAT I LIKE PRESIDENT
CLINTON. AND THERE ARE
ISSUES ON WHICH WE SEE EYE-
TO-EYE....RUSSIAN AID AND
NAFTA FOR EXAMPLE.**

***BUT THERE ARE QUITE A
FEW ISSUE ON WHICH WE HAVE
FUNDAMENTAL DISAGREEMENTS
OF PRINCIPLE.**

***ONE OF THOSE ISSUES IS ON
THE PRESIDENT'S ECONOMIC
PLAN. DURING THE CAMPAIGN,
CANDIDATE CLINTON SAID HE
WANTED TO REDUCE THE
DEFICIT...AND HE TALKED ABOUT
\$3 IN SPENDING CUTS FOR**

EVERY \$1 IN TAX INCREASES.

***AFTER THE ELECTION, HE
BEGAN TO TALK ABOUT \$2 IN
SPENDING CUTS FOR EVERY \$1
IN TAX INCREASES.**

***AND THE REALITY IS ON A
LITTLE CHART THAT I HAD
DISTRIBUTED--FROM 1994-1998,
THE HOUSE-PASSED PLAN
RESULTS IN \$6.35 IN TAX
INCREASES TO EVERY \$1 IN**

SPENDING CUTS.

***AND YOU'LL NOTICE THAT
THE VAST MAJORITY OF
SPENDING CUTS DON'T HAPPEN
THIS YEAR...THEY ARE
PROMISED FOR DOWN THE LINE
IN 1997 AND 1998.**

***THE TAX INCREASES,
HOWEVER, WILL TAKE PLACE
IMMEDIATELY--AND FOR A
WHILE, THE DEMOCRATS**

**WANTED TO MAKE THEM RETRO-
ACTIVE TO JANUARY 1.**

***I DON'T THINK A 6-1 RATIO IS
WHAT AMERICANS HAD IN MIND
LAST NOVEMBER...AND I THINK
YOU CAN SEE THAT IN THE
ELECTION RESULTS IN TEXAS
AND ELSEWHERE THIS YEAR.**

MANDATES

***THERE'S ANOTHER ISSUE
WHERE PRESIDENT CLINTON**

**AND I HAVE A FUNDAMENTAL
DIFFERENCE--AND THAT'S THE
NEED FOR FEDERAL MANDATES.**

***WHETHER IT'S PARENTAL
LEAVE OR MOTOR/VOTER OR
WHATEVER, PRESIDENT CLINTON
BELIEVES THAT UNCLE SAM
KNOWS BEST--THAT
BUSINESSES, INDIVIDUALS, AND
STATE GOVERNMENTS SHOULD
BE WILLING TO KNUCKLE UNDER**

TO THE FEDERAL GOVERNMENT.

***I HAPPEN TO DISAGREE.**

**AND I THINK IT'S IRONIC THAT
AT THE TIME WHEN THE WHOLE
WORLD SEEMS TO BE TURNING
TO INDIVIDUAL INITIATIVE AND
PRIVATE ENTERPRISE, THERE
ARE STILL THOSE IN
WASHINGTON WHO WANT TO
TURN AMERICA AWAY FROM
THOSE VERY PRINCIPLES.**

LEADERSHIP

***LET ME END BY SAYING THAT
WHETHER YOU'RE REPUBLICANS
OR DEMOCRATS, THOSE OF YOU
WHO SERVE IN STATE
LEGISLATURES HAVE A
RESPONSIBILITY...A
RESPONSIBILITY CALLED
LEADERSHIP.**

***AND THAT'S A
RESPONSIBILITY I TAKE VERY**

SERIOUSLY.

***LET ME BE FRANK IN SAYING
THAT THERE ARE THOSE IN OUR
PARTY WHO THINK ALL WE NEED
TO DO IS SIT ON THE SIDELINES,
AND LET PRESIDENT CLINTON'S
AGENDA SAIL THROUGH, AND
THEN WATCH THE VOTERS
COME OUR WAY.**

***WELL, I BELIEVE-- AND I
KNOW THE AMERICAN PEOPLE**

**BELIEVE--THAT WE HAVE TO DO
MORE THAN THAT...WE HAVE A
RESPONSIBILITY TO PROPOSE
REALISTIC AND MEANINGFUL
SOLUTIONS TO AMERICA'S
PROBLEMS...A RESPONSIBILITY
TO STAND UP TO THE
PRESIDENT WHEN WE
DISAGREE...AS WE DID ON THE
SO-CALLED STIMULUS PACKAGE.
THAT'S NOT GRIDLOCK. IT'S**

DEMOCRACY.

***AGAIN, IT'S NICE TO HAVE
YOU IN TOWN. I SUSPECT THAT
ONE OR TWO OF YOU MIGHT
HAVE PLANS TO TRY AND GET
HERE ON YOUR OWN SOME DAY.
IF YOU'RE REPUBLICANS COME
AND SEE ME..WE'RE LOOKING
FOR SOME CHALLENGERS TO A
FEW DEMOCRAT SENATE
INCUMBENTS NEXT YEAR...WE**

**PAY RE-LOCATION COSTS, AND
WE'RE EVEN WILLING TO MAKE
YOU REPUBLICAN LEADER IF WE
GET THE MAJORITY.**

**THANKS, AND I'D BE HAPPY
TO TAKE YOUR QUESTIONS.**