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tions to the Department of Transportation, making it dependent on a substantial portion of its revenue from the increased tax.

"Those of us who were new and a little naive in the legislature didn't anticipate that happening," said Ferguson.

That, he added, makes him hesitant to look at the one-half cent sales tax increase proposal as a long term means of funding the prison system.

"I wouldn't want to see us fund corrections with a tax increase, only to cut back on our general appropriations," he said. "I think we have to look at ways to consistently fund the system through the state's general revenues."

Ferguson said any prison proposal must also keep in mind the various alternatives available to the state, such as private prisons and the renovation of existing prison space to make it more usable.

"I think the interim director of the Department of Corrections essentially agreed with me on that in the report they issued last Friday," Ferguson said. "I think we have to look at our existing space and see if it might not be better used to house the inmates we already have and those we anticipate coming into the system."

While speaking to reporters Monday, Keating again stressed his opposition to prison construction, saying the state would be better served by leasing prison space from private companies. The governor also predicted the state and the nation "will one day turn the corner" on the crime problem, saying "I would rather the private sector own a lot of empty buildings than the state."

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## KEATING, SMITH PRAISE SB911

By Shawn Ashley  
Staff Writer

■(GIT) Governor Frank Keating and the state's secretary of energy praised the anticipated impact of a bill passed during the past legislative session to provide tax breaks to marginally-producing oil and gas wells.

While acknowledging that the economic impact of the SB911 has yet to be felt, Secretary of Energy Mike Smith called the measure "the first significant relief to marginal oil and gas producers in the state's history."

The bill, authored by Sen. Kevin Easley, D-Broken Arrow, and Rep. Larry Rice, D-Pryor, is designed to prolong marginal oil and gas production by providing gross production tax relief for those wells.

"This bill already has provided and will continue to provide tax relief for Oklahoma energy producers and the industry as a whole," said Keating. "This was a much needed piece of legislation that will help Oklahoma's energy producers recover from financial strain of years passed."

The bill, Smith said, will affect almost

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Roach, the governor has taken 61 trips that cost a total of \$100,000 in the four months since the plane was obtained.

Roach readily admits that air travel is a necessary part of doing business, whether public or private. However, the Tulsa Democrat said the state needs to take a look at its expenditures and its record keeping concerning the matter. Specifically, he points to the University of Oklahoma, which spent nearly \$1.8 million on airline tickets in fiscal year 96.

"Those numbers are real," said Roach. "The university doesn't dispute them. What they do say, however, is that some other agencies may be hiding the true total of their expenditure."

Roach indicated there may be reason to believe that argument.

"We had to put together our own data on this," he explained. "It was one of those things where nobody wanted to acknowledge how much was being spent or maybe they just didn't know."

"This is an accounting procedure within the state that is supposed to allow access for anyone to come in, look at these figures and analyze them. I would say that's not the case right now."

Roach said he hopes that problem, too, will be addressed.

every oil well in Oklahoma. That's because the average well in the state produces three barrels of oil per day or less, qualifying for the marginal well designation. Because of the high cost involved in oil and gas production, Smith added, some 1,200 marginal oil wells per year are being plugged in Oklahoma. Approximately 234 marginal gas wells are also being plugged annually, he added.

Praise for the bill comes on the heels of the release of *Marginal Oil and Gas: Fuel for Economic Growth*, published by the Interstate Oil and Gas Compact Commission, a 61-year-old organization representing the governors of 29 oil and gas producing states, including Oklahoma. Keating is the chairman-elect of the organization and will take office next year.

## PUBLIC COMMENT SOUGHT ON ELECTRICITY RESTRUCTURING

From US Dept. of Energy

■(WASHINGTON) Input from four public meetings across the country will help the Department of Energy formulate electricity restructuring legislation to submit to Congress next year.

"Many difficult issues must be addressed as we build a foundation for the new U.S. electricity industry," said U.S. Energy Secretary Hazel R. O'Leary, who will lead the first two meetings. "Public involvement will help ensure that the transition to electricity competition strengthens our nation's economy, protects the environment and improves the quality of life for all Americans."

To encourage public discussion on a wide range of restructuring issues, each meeting will focus on different topics. However, regional and local participants at each of the meetings can examine other topics related to electric industry restructuring.

The first meeting will be in New Brunswick, NJ, Oct. 10, and the second in Santa Fe, NM, Oct. 22. Two additional regional meetings will be held in November, the time and location to be announced later.

Questions about the meetings should be directed to the information hotline, 423-576-3610.

### ★★ Important Date ★★

✓ General Election  
Tues., November 5