

Title: **Carolinas congressmen have varied views on Atlantic drilling**  
Author: Associated Press  
Size: 58.12 square inch  
Greenwood, SC Circulation: 16494



# Carolinas congressmen have varied views on Atlantic drilling

Associated Press

CHARLESTON — The five congressmen representing coastal districts in the Carolinas reflect the opposing views in their states on offshore drilling.

Govs. Nikki Haley and Pat McCrory are in the Outer Continental Shelf

Governors Coalition, which promotes offshore energy. But almost 20 coastal communities in the states oppose drilling. There are also differing opinions among the congressmen.

Democratic U.S. Rep. G.K. Butterfield of North Carolina and 52 other members of Congress recently wrote Interior Secretary Sally Jewell asking

the Atlantic be off-limits to drilling.

But U.S. Rep. David Rouzer of North Carolina said offshore oil can encourage economic growth. In South Carolina, Rep. Mark Sanford, who has opposed drilling in the past, has no problem with seeing how much oil is out there but said he isn't prepared to go further.

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ASSOCIATED PRESS

U.S. Rep. Mark Sanford, R-S.C., right, speaks to attendees March 11 at a meeting of the federal Bureau of Ocean Energy Management in Mount Pleasant to take public comment on opening areas off the Atlantic coast to drilling for oil and natural gas.



Title: **House panel's road plan could face Haley veto**  
 Author: By Tim Smith Staff Writer [tcsmith@greenvillenews.com](mailto:tcsmith@greenvillenews.com)  
 Size: 54.25 square inch  
 Greenville, SC Circulation: 113473

# House panel's road plan could face Haley veto

By Tim Smith

Staff Writer

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**COLUMBIA** — Gov. Nikki Haley is signaling that she may veto a House roads package that could include a much smaller tax cut than her own plan proposes.

House leaders have scheduled twin hearings for next week on a House infrastructure committee road plan and an income tax relief plan that could be

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## ROADS

Continued from Page 1A

paired into one plan for the House floor, if they pass their subcommittees and the full budget committee.

But the governor's plan, which contains a much more robust income tax cut as well as a gas tax hike, is not scheduled for a hearing.

"It's a shame that the only roads bill the Republican House budget committee is giving a hearing to is a massive tax hike that will take South Carolina in the wrong direction and that the governor has clearly stated she will veto," Chaney Adams, a Haley spokeswoman, told *The Greenville News*.

House Ways and Means Chairman Brian White on Thursday filed a bill that would offer a much smaller income tax cut than the one proposed by Haley, which is key to her road-funding plan.

White has scheduled a hearing on his bill next week but has not scheduled a hearing for Haley's plan, which is contained in a bill by Rep. Tommy Stringer of Greenville and co-signed by 44 Republicans.

Haley has said she will approve a gas tax increase only if lawmakers also pass

an income tax cut. She said earlier this week that while she was willing to compromise, she did not want to approve a cut less than 1.5 percent from the 7 percent rate.

White told *The News* that he believes his plan is healthier for the state's finances and would offer relief to all of the state's taxpayers.

"I think this is the better approach," he said.

Haley in recent weeks singled out White for criticism when a \$500 million bond bill proposal surfaced from White's committee that Haley said was unnecessary. It was subsequently defeated after a social media campaign by the governor.

Danielle Vinson, a Furman University political science professor, said White's actions are a reminder of legislative power.

"Governors need to understand that they require legislators to get things through the Legislature," she said. "And particularly they require committee chairs to schedule things for hearings. It's not uncommon in executive-legislative relations around the country and in Washington

for chairpersons to occasionally remind governors who actually gets to schedule these things."

White's plan would be phased in over two years, at a cost of \$25 million the first year and \$50 million the second year and thereafter. The bill would expand the income tax brackets and offer the average taxpayer \$48 a year in relief, he said.

Haley's plan would reduce the top tax rate of 7 percent to 5 percent over 10 years, eventually reaching a cost of \$1.7 billion in its 10<sup>th</sup> year.

The governor has said it will pay for itself through expected new revenues as the state's economy grows.

Some lawmakers, including White, say they are concerned about the financial impact of Haley's plan. White also said he is concerned about the impact of such a plan on the state's credit rating.

He pointed to the last time a similar tax plan went through the House in 2005 when the credit-rating agency Standard & Poors placed the state on a negative credit watch and then downgraded the state's rating to AA+.

In that case, the proposal was to cut the 7 percent rate to 4.75 percent. S&P cited

the state's sluggish economy at the time and consecutive years of negative General Fund balances, as well as the state's poor employment situation as reasons for the downgrade.

A credit rating matters because the lower the rating, the more the government, and taxpayers, pay to borrow money through bonds.

Haley has noted that the state's financial reserves have doubled during her tenure and the state's unemployment rate also has fallen significantly. The state's economy is growing, she has said, and instead of negative balances the state is producing surpluses.

But State Treasurer Curtis Loftis earlier this month cautioned legislative leaders about proceeding with her plan because of its possible impact with credit agencies.

"Given all these complexities, and absent other revenue stabilizing influences, it is likely that the rating agencies would view the reduction in the income tax and the resulting draw down of general funds available for expenditure as a credit negative," he said in a letter dated March 9. "We therefore encourage

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careful consideration of the proposal in its current form.”

Loftis told *The News* he isn't telling lawmakers to support or oppose the governor's plan and that Haley has a right to her opinion.

“If you cut income tax, you just have to make sure you have the money available to pay your bills,” he said. “As long as the governor is convinced the funds

will be there, she certainly has the right to opine about how they ought to be spent.”

Haley told *The News* earlier this week that the credit-rating agencies told her a state would only have its rating downgraded if it did not manage the cuts properly.

Also scheduled for a hearing next week is a House infrastructure committee plan that would raise

road money in a different way.

It has recommended cutting the gas tax in half, imposing an excise tax on gas at the wholesale level and raising the cap on the sales tax on vehicles from \$300 to \$500.

Haley has proposed raising the state's 16.75-cent gas tax by 10 cents per gallon, but only if lawmakers also reduce the state's income

tax over 10 years from 7 percent to 5 percent and scrap the current system of legislatively-appointed highway commissioners.

Stringer's bill containing the governor's plan has not yet been scheduled for a hearing.

House Speaker Jay Lucas has said he wants some type of a roads plan passed in April.



**Gov. Nikki Haley**



Title: **Stop it before it starts**

Author:

Size: 66.65 square inch

Aiken, SC Circulation: 19635



# Stop it before it starts

She struck the perfect tone. S.C. Gov. Nikki Haley – in what seemed like a preemptive strike against an upcoming legislative push – rightfully came out against efforts recently to reopen a nuclear waste site in Barnwell to the rest of the country.

Haley – who has touted herself as the “jobs governor” – explained at a press conference on Thursday that while economic development is important, South Carolina won’t “sell our soul for jobs and money.” Reopening the site would essentially do just that. A nuclear waste landfill site shouldn’t be eyed as a cash cow, and Haley wisely recognizes this.

A potential plan to reopen the site – which has been closed to all states except South Carolina, New Jersey and Connecticut since 2008 – has been floated, but essentially behind the scenes at this point. While lawmakers and the governor have acknowledged they’ve been approached by EnergySolutions – the Utah-based company that operates the Barnwell site – no legislation has actually been filed. However, the company has clearly been urging the state to consider letting other states dump nuclear waste at the landfill, which would scrap the agreement reached between the three states that’s known as the Atlantic Compact.

S.C. Sen. Brad Hutto, D-Orangeburg, who also represents Bamberg, as well as other legislators, have reportedly been in discussion with Energy Solutions about bringing in waste from states that, under current law, are not allowed to use the site. Hopefully the governor’s strong push will help scrap any potential bill aimed at rewriting the state’s law that closed the landfill to the nation.

It’s no secret the Barnwell site, one of only a handful of low-level nuclear waste dumps in the country, carries environmental risk. The site is known to leak tritium into groundwater that drains into a tributary of the Savannah River, a drinking water source for several communities in the state.

That fact has easily been overlooked by some, certainly to some degree, because the site was at one time viewed as a significant money maker for South Carolina, particularly for Barnwell County. However, profits are now drying up due to a decreased volume level.

The idea being floated by Energy Solutions in-

volves trading its current waste with lower levels of radioactivity for waste with higher levels of radioactivity at the Barnwell site. So, the waste with greater levels of radioactivity would go to Barnwell by opening the site to other states. This proposal has actually been framed as a way to charge greater fees at the site, which would consequently generate more money that could be used to alleviate environmental concerns now and in the future. That’s a smoke and mirrors trade-off that South Carolina shouldn’t be willing to accept.

Facing this grim financial reality – and deserved push back from policy makers such as Haley – EnergySolutions, which operates the landfill under the name Chem-Nuclear, recently launched a statewide public relations effort complete with television and online commercials. These efforts were clearly aimed at painting the site’s operation in a positive light.

Although it’s been an economic generator in the past, the company’s reported pitch would be disastrous for the state’s future. As Haley noted in her press conference, this would be a “huge step backward” for the state.

“Yes, I’m the jobs governor, and, yes, we want to go and improve the economy,” Haley said. “But you have to look at what cost do you do that, and I’m not willing to go and take in nuclear waste that our kids and grandkids are going to have to deal with.”

South Carolina, especially Aiken County, is home to enough radioactive material already through the Savannah River Site, which in and of itself holds an unclear future as far as the storage and remediation of waste. Bringing in more waste – in particular, waste classified as more radioactive than what is already there – simply reinforces the state’s image as a radioactive dumping ground.

Digging deeper into this responsibility makes little sense for future generations of South Carolinians. It also increasingly mortgages the health of both the state’s natural resources and residents.

The 235-acre site already holds 28 million cubic feet of waste material and also already carries disposition and safety concerns.

Additionally, this isn’t a new push. The company has tried to coax lawmakers in the past, including unsuccessfully in 2007 when lawmakers considered a proposal, but ultimately bailed on it.

While the state has certainly benefited from its partnership with EnergySolutions, this latest plan is far from altruistic. This boils down pure and simple to making money and any steps toward

Title: **Stop it before it starts**

Author:

Size: 66.65 square inch

Aiken, SC Circulation: 19635

moving forward should be steeped significantly  
in skepticism.



STAFF PHOTO BY CINDY KUBOVIC

**Republican S.C. Gov. Nikki Haley announced in a Thursday news conference she opposes letting a landfill in Barnwell County resume storing radioactive waste from across the entire nation.**



**Hutto**

Title: **Offshore drilling splits coastal congressmen**  
 Author: By Bruce Smith The Associated Press  
 Size: 38.28 square inch  
 Greenville, SC Circulation: 113473



# Offshore drilling splits coastal congressmen

By Bruce Smith

The Associated Press

**CHARLESTON** — The five latest coastal community to go on record opposing drilling, joining 18 others in the Carolinas. Opponents worry oil spills could harm the environment and coastal tourism. A look at where the five coastal congressmen stand:

## **U.S. Rep. Walter Jones, R-N.C.**

Jones' district runs from Greenville to the Outer Banks and southwest to Wilmington. He says any decision on drilling off North Carolina should be made by the people of the state — not Washington — and

the state should receive a fair share of energy revenue. He urged the Bureau of Ocean and Energy Management to hold an additional public hearing this month so more people could be heard. They were. Some 670 people attended last Monday in Kill Devil Hills, the most for any public meeting the agency has held.

## **U.S. Rep. G.K. Butterfield, D-N.C.**

Butterfield's district

reaches from Durham then along the state's northern edge to the western end of Albermarle Sound. He and 52 other members of Congress wrote Interior Secretary Sally Jewell this month asking the Atlantic be put off-limits to drilling. They noted drilling would "threaten the economic and ecological productivity" of states and at current consumption rates, Atlantic offshore oil would provide only five months of energy.

## **U.S. Rep. David Rouzer, R-N.C.**

Rouzer's district runs from near Raleigh south to the coast and the South Carolina line. He supports oil and gas exploration saying increased production will keep prices low, encouraging growth and meaning less oil revenue for the Islamic State and other terror groups. Government revenue will also help pay for coastal infrastructure, he says.

## **U.S. Rep. Tom Rice, R-S.C.**

Rice's north coast district includes Myrtle Beach. He favors oil exploration. "I don't know how you can make an intelligent decision about what you're going to do if you don't

know what's there," he says. But he wonders if offshore drilling is practical with prices low and drilling operations on land being closed down. He says states should have a say in where offshore drilling is allowed. "I have always put a condition on my assent that it not be near tourism areas," he says.

## **U.S. Rep Mark Sanford, R-S.C.**

Sanford's district runs from northeast of Charleston to the Georgia state line. A strong conservationist, he has opposed drilling in the past. "My perspective continues to evolve," he says. He sees no problem with exploring to at least see how much oil is offshore. "That's where we have been but not further than that."

The federal Bureau of Ocean and Energy Management is now taking comment on what should be included in environmental studies to decide whether areas in the Atlantic are opened to oil and gas development later this decade. Gov. Nikki Haley is a member of the Outer Continental Shelf Governors Coalition, which North Carolina Gov. Pat McCrory chairs. The group's mission statement says it works to "influence a sensible path forward for the development of America's offshore energy resources." Drilling proponents say it can help reduce dependence on foreign energy and create jobs and revenue.

Hilton Head Island is the



Title: **Haley won't endorse early GOP candidate**  
 Author: By Bill Barrow Associated Press  
 Size: 14.26 square inch  
 Greenville, SC Circulation: 113473



# Haley won't endorse early GOP candidate

Governor keeping her opinion secret

**By Bill Barrow**  
 Associated Press

South Carolina Gov. Nikki Haley says she won't be endorsing any Republican presidential hopefuls any time soon.

Standing alongside former Florida Gov. Jeb Bush, Haley said last week that

*Haley says she'll be a "sweet host" for all potential White House candidates who visit the state between now and next February.*

she'll be serving as a "sweet host" for all potential White House candidates who visit the state between now and next February, when South Carolina holds the first presidential primary in the South.

Haley said Bush has advised her on education policy.

She said generally that she's a fan of her fellow governors.

Wisconsin Gov. Scott

Walker was be in the state later in the week, making a stop in Greenville.

New Jersey Gov. Chris Christie attended Haley's second inauguration in January.

She also has welcomed Gov. Bobby Jindal of Louisiana and former Texas Gov. Rick Perry, among others.

Haley endorsed eventual nominee Mitt Romney in the weeks before the 2012 South Carolina primary.



Title: **Trustees release letters to justify Elzey's firing**  
 Author: By JEFFREY COLLINS The Associated Press  
 Size: 31.93 square inch  
 Beaufort, SC Circulation: 11269



# Trustees release letters to justify Elzey's firing

By JEFFREY COLLINS  
 The Associated Press

COLUMBIA — South Carolina State University trustees wrote a letter to President Thomas Elzey less than a month before they suspended him, saying they were worried he wasn't communicating with them and was out of state when a utility threatened to cut off power to the school.

A lawyer for the trustees released two letters Tuesday, one day after the board cited them when they fired Elzey.

"Many of the Board members are troubled by your attitude toward the Board and a perceived lack of respect for the Board's function," trustees chairman William Small wrote in a letter two days after Elzey was placed on administrative leave.

Elzey's lawyer filed an amended breach of trust lawsuit Tuesday, saying Elzey addressed the concerns in the January letter, while the February letter was written after Elzey was suspended with pay as an attempt to justify their decision after the fact. Attorney Nancy Bloodgood also said in the papers that the university did not pay Elzey while he was supposed to be suspended with pay.

SC State owes at least \$11 mil-

lion in unpaid bills. Its total debt, when outstanding bonds are included, exceeds \$83 million, legislators have said. Lawmakers are trying to hash out differences in bills from each chamber that would fire all the trustees.

Elzey joins five other presidents in 23 years who did not leave the school on their own terms. Firing Elzey without cause would cost the financially strapped university around \$425,000, according to an estimate from state economic advisers.

The tone of the January letter from trustees to Elzey was polite, pointing out that the trustees had to postpone a meeting because Elzey needed to be at Gov. Nikki Haley's inauguration, and they were being asked questions from people who lost jobs or were afraid of being out of work before Elzey had discussed his plans to cut staff with them.

It also contained a brief complaint without specifics that Elzey was in Atlanta when the power was being threatened to be turned off.

"As crisis conditions heighten at the university, it is impera-

tive from our perspective that this information be known as we seek to plan our activities or respond and (sic) emergent or emerging situations," Smalls wrote, ending the letter with "Be safe and Be Well."

The Feb. 25 letter — two days after the board suspended Elzey — had a much different tone. Elzey told lawmakers the university needs significantly more money without telling trustees first, and he failed to tell them about personnel changes or fundraising goals, according to the letter.

The trustees said Elzey's failure to keep a professional relationship with his trustees also threatened SC State's accreditation. The university is currently on probation and will have its accreditation reviewed later this year. If the school loses that, it can't stay open because students can't get financial aid.

"Most Board members are seriously troubled that the Board does not believe it has received from you a clear plan for the University to emerge from its current financial crisis, accreditation issues and the University's public image problems," trustees wrote.

Title: **Gov. Nikki Haley: No early endorsement for president**  
 Author: BY BILL BARROW Associated Press  
 Size: 50.37 square inch  
 Aiken, SC Circulation: 19635



# Gov. Nikki Haley: No early endorsement for president

BY BILL BARROW

Associated Press

CAYCE — South Carolina Gov. Nikki Haley said she will not endorse any Republican White House hopeful in the coming months; she hopes instead to parlay the South's first presidential primary into some positive attention for the state.



Haley

"I plan to be a very sweet host to all of them. We want them all to come," she said Tuesday standing beside former Florida Gov. Jeb Bush at a stop on his first extended campaign trip to South Carolina this year.

"I don't know if I'll endorse yet," Haley added, "but what I will tell you is, it's not going to be any time soon."

Haley endorsed eventual nominee Mitt Romney in the weeks before the 2012 primary, which Romney lost to former Speaker Newt Gingrich.

The governor took Bush on a private tour of a women's shelter before the two Republicans held a joint news conference to raise awareness of domestic violence and the need for a greater prevention.

Saying the event was not political — Bush said he's not even a candidate yet — Haley said the appearance is an example of how she plans to leverage the parade of would-be presidents.

"This is about all issues

that affect South Carolinians, and the candidates that come here and care to find out what those are, I appreciate, and you should, too," Haley said.

But as Haley juggles presidential politics, she also risks complications at home.

Almost as soon as she finished her Tuesday event with Bush, Democrats blasted her choice of venue, noting that

in 2012 she vetoed \$454,000 in state support for the South Carolina Coalition Against Domestic Violence and Sexual Assault. The money was earmarked for 15 rape crisis centers. The Legislature overrode Haley's veto.

In her veto message at the time, Haley said the line item and others like it for the De-

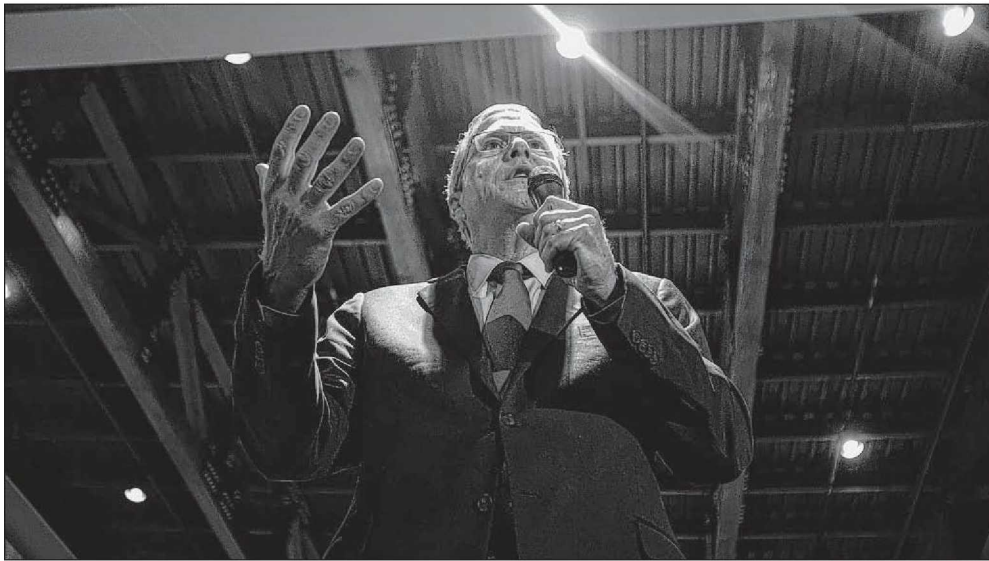
partment of Health & Environmental Control "attempts to serve a portion of our population for which we extend our sympathy and encouragement, but nevertheless, it is only a

small portion of South Carolina's chronically ill or abused. Overall, these special add-on lines distract from the agency's broader mission of protecting South Carolina's public health."

State Rep. Mia McLeod, D-Richland, framed Haley's appearance Tuesday as "hypocritical, given the veto."

"These shelters need funding, not lip service and a photo op from a governor who's doing nothing more than auditioning for her next job," McLeod said.

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Author: BY BILL BARROW Associated Press  
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AP PHOTO/THE SUN NEWS, JASON LEE

Jeb Bush gives a talk and answers questions at the Rioz Steakhouse on Wednesday in Myrtle Beach. Bush's appearance is a part of the Horry Republican Party's attempt to get every potential presidential candidate into the Grand Strand area. Bush said Tuesday that minimum wage increases should be left to businesses and state governments, opposing a hike in the federal pay floor as an impediment to individuals trying to escape from poverty.

Title: **Audit: SC State debt to reach \$23.5M**  
 Author: BySEANNA ADCOX The Associated Press  
 Size: 25.88 square inch  
 Beaufort, SC Circulation: 11269



# Audit: SC State debt to reach \$23.5M

By SEANNA ADCOX  
 The Associated Press

COLUMBIA — South Carolina State University's escalating debt is expected to reach \$23.5 million by the end of this school year, accountants said Wednesday, adding to calls for an immediate overhaul.

An accounting firm presented a financial forecast Wednesday that's even worse than lawmakers expected. South Carolina's only public historically black university cannot reduce its unpaid bills without additional aid from the state, Tom McNeish of Elliott Davis Decosimo told the Budget and Control Board, which hired his firm last year.

Gov. Nikki Haley said the school's survival depends on its leaders being willing to make

## THE DEBT

More than 40 percent of its bills, or \$4.4 million worth, are more than four months old. Roughly \$100,000 is owed on invoices past a year old. The oldest dates to August 2012, according to a Feb. 28 breakdown the school provided state budget officials.

deep cuts.

"South Carolina State is on life support," she said. "Something has to be done now. We've got to see action yesterday."

The financial oversight board she chairs postponed deciding

whether to extend SC State's loan repayment plan. A \$6 million loan approved last spring is supposed to be paid back by June 30. But if it is repaid, the school won't be able to pay any of its vendors, and overdue bills will climb to \$22 million, McNeish said.

The accruing debt also includes \$1.5 million the school received as part of a second bailout approved last December.

According to university officials, the school's unpaid bills amounted to \$10.3 million at the end of February.

The board delayed action after House Ways and Means Chairman Brian White, a board member, criticized the lack of written repayment terms on which to vote.

The five-member panel will revisit the issue next month.

The presentation came two days after SC State's trustees fired President Thomas Elzey.

Also on Wednesday, the House approved a bill firing all trustees, as well as Elzey. The proposal matches what the House put in its budget plan last week. But a budget clause can't take effect until July 1, and lawmakers want trustees replaced much sooner. How soon will depend on the House and Senate working out differences in their separate plans — chiefly, who appoints the takeover board.

"Time is of the essence," said Rep. Jerry Govan, D-Orangeburg, an SC State graduate. "I don't believe we have a margin for error."



Title: **Haley doesn't back nuclear dump change**  
 Author: By JEFFREY COLLINS The Associated Press  
 Size: 31.77 square inch  
 Beaufort, SC Circulation: 11269



# Haley doesn't back nuclear dump change

By JEFFREY COLLINS

The Associated Press

COLUMBIA — South Carolina Gov. Nikki Haley is against the possibility of opening a Barnwell County landfill to low-level nuclear waste from across the country, saying she wants to make sure the state isn't spoiled for its children or grandchildren.

Haley said she isn't changing her personal mission to be known as the "jobs governor." But she said some jobs — such as those that might be generated by this proposal — aren't worth it.

"We don't sell our soul for jobs and money," Haley said Thursday at a news conference she called to discuss the issue.

Haley was responding to talk around the Statehouse about adding states to the list that can now send low-level radioactive materials from hospitals and power plants to the Energy

Solutions landfill run by Chem-Nuclear in Barnwell County.

Legislators voted in 2000 to accept waste only from South Carolina, New Jersey and Connecticut until the site is full or until 2023 and rejected an effort to change that deal eight years ago.

Sen. Brad Hutto, whose district contains the landfill, said the governor is jumping the gun because she hasn't seen his proposal. The Orangeburg Democrat said he is writing a bill so lawmakers can debate what to do with the site. He said a periodic review of the landfill and how it operates is good policy, especially since it is still taking waste, and he has no plans to increase the dump's capacity.

"Nothing is going to change about whether the future of our children is affected. It's there; it

is going to be monitored in the long term," Hutto said.

Haley said she spoke to the company before making her decision.

"I'm not willing to go and take in nuclear waste our kids and grandkids might have to deal with," she said.

But Hutto said that is short-sighted. The landfill is at 87 percent capacity and will keep taking waste until it is full.

Part of any new deal could bring in more money for the state for other environmental projects. And he wants to revisit why the landfill can accept low-level radioactive waste from New Jersey and not Pennsylvania.

"They've been a good corporate citizen in Barnwell," Hutto said of Energy Solutions. "And the people of Barnwell deserve to have this heard and considered."

Haley's stance brought praise from groups that often criticize her. Conservation Voters of South Carolina Director Ann Timberlake said in a written statement that Haley showed she had the best interests of South Carolina and its environment in mind.

## COMPANY'S VIEW

Energy Solutions spokesman Mark Walker said the company was disappointed in the governor's comments but looked forward to working with her and legislators on the future of the landfill. The firm has a website at <http://truthaboutbarnwell.com/> where it makes its case that the people of Barnwell County are fine with the landfill and that it operates safely.

Title: **Haley opposed to panel's road plan**  
 Author: By Tim Smith Staff writer tcsmith@greenvillenews.com  
 Size: 61.53 square inch  
 Greenville, SC Circulation: 113473



# Haley opposed to panel's road plan

Governor against tax, fee increases for roads unless income taxes are cut

**By Tim Smith**

Staff writer

tcsmith@greenvillenews.com

COLUMBIA — Gov. Nikki Haley said Thursday she isn't interested in the roads-funding plan passed out of a legislative subcommittee.

Meanwhile, it appears House budget subcommittees next week will hear road and tax plans that are competing with the governor's proposal for legislative passage but not hear the governor's plan.

House Ways and Means Committee Chairman Brian White told *The Greenville News* a House infrastructure committee roads bill will get a hearing next week. He said he is giving it priority because it is a House product and members worked on it for months.

White's committee sent out a notice late Thursday that another budget subcommittee will hear a bill by White filed Thursday that would provide a much smaller amount of income tax relief than Haley has proposed.

Neither subcommittee is scheduled to hear Haley's plan.

Haley has proposed raising the state's 16.75-cent gas tax by 10 cents per gallon, but

only if lawmakers also reduce the state's income tax over 10 years from 7 percent to 5 percent and scrap the current system of legislatively appointed highway commissioners.

Her ideas are contained in a bill sponsored by Rep. Tommy Stringer of Greenville and co-sponsored by 44 Republicans. The House infrastructure plan, which includes White and House Speaker Jay Lucas as co-sponsors, would cut the gas tax in half, create an excise tax on gas at the wholesale level and raise the sales tax cap on vehicles from \$,300 to \$500.

The governor signaled earlier this week she was open to compromise but wouldn't approve a gas tax increase of more than 10 cents nor any indexing of the tax for inflation.

Tuesday, a Senate finance subcommittee approved a bevy of fee increases to raise money for roads, including a 12-cent hike in the gas tax spread over three years, indexed for

**See ROADS, Page 4A**

## ROADS

Continued from Page 1A

inflation. Its bill doesn't include any tax relief.

"That's a whole lot of tax increases and we've made very clear that's not the direction we want to see South Carolina go,"

Haley said.

"We're not going to go with a tax increase. They might as well not waste their time. Because we just won't go there at all. We'll let everything fall by the wayside before we allow the people of South

Carolina to see a tax increase."

On Thursday, Americans for Prosperity South Carolina, a fiscal conservative group, announced it was launching a campaign against increasing the gas tax, which was last

raised in 1987, arguing that lawmakers should instead "get rid of wasteful mass transit spending" and implement reforms at the state Department of Transportation.

Haley said her office is still working with Sen.

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 Author: By Tim Smith Staff writer tcsmith@greenvillenews.com  
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Larry Grooms, chairman of the Senate Transportation Committee, to develop an acceptable plan. Grooms is the target of an ad by the AFP group released Thursday because one of his bills proposed a gas tax increase.

Sen. Ray Cleary, chairman of the subcommittee that approved the fee increases Tuesday, said he wasn't surprised at the governor's comments.

"We're under the assumption she will proba-

bly veto whatever we have which is why we are moving forward the way we do," he said.

Cleary said he expects the subcommittee plan to be heard next week by the full Senate Finance Committee.

A separate bill by Grooms to grant Haley's wish that highway commissioners all be appointed by the governor instead of lawmakers

passed a subcommittee Wednesday and appears headed to the floor.

The rub in reaching a solution is that some lawmakers are opposed to any fee or gas tax increase, while others don't want to reduce the state's income tax rate by 2 percent, fearing its financial impact.

Haley has said she believes growth in revenues will pay for the cost of the tax cut, which is projected to be about \$1.8 billion by the 10<sup>th</sup> year of its implementation.

Cleary said the Senate will have to craft a compromise plan that raises sufficient revenue.

"We're raising money. Everybody is going to be affected," he said. "We can't protect all our fiefdoms because there are 46 of them. There has got to be compromise."

Cleary said his own bill would have reduced the tax rate for small busi-

nesses to nothing.

"We were told three years ago we would have to override a veto," he said.

"We were told two years ago we would have to override a veto and we were told three weeks ago

we would have to override a veto. And if that's what we're going to have to do, then we're going to create a revenue bill, because that's what this state needs. It needs revenue for the roads."

Haley said Thursday that House lawmakers "know where we stand" on road funding and her office has begun talking with senators.

"We feel good," she said. "The legislators want to know where we are. They want to know where our limits are, where we'll go and where we won't go. I think we've tried to be really honest with them and tell them what we think is realistic

that I can stomach."

She says she wants a tax cut to go along with any gas tax increase because there is sufficient revenue with the growth in the state's economy.

"I've said for a long time that you can't just up it on one side and not turn around and give a tax cut on the other side," she said.

Stringer said while there have been efforts at compromise between the House plan and the governor's plan, no deal has been reached of which he is aware.

He said he could request a hearing on the governor's plan but would prefer to see what happens with the House plan before trying to merge the two together.

House Speaker Jay Lucas said Thursday he wants the House to pass a road-funding plan in April but is staying out of the debate over which plan.