Dear Petersburg Assembly;

Following is my review and comments to the 26 page summation of the benefits regarding HR.1, the One Big Beautiful Bill Act (OBBBA) provided to you by Senator Dan Sullivan. He provided this response to me after raising issues with this bill. As it is unlikely the public will have their own opportunity to discuss this with our Senator in a public forum, I'm hoping my comments to you might highlight concerns you might discuss with the Senator during his presentation.

I'll do my best to direct you to the location of the language I'm addressing.

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(First paragraph, third sentence) *"We prevented the largest tax hike in history-more than $4 trillion- by extending the 2017 tax cuts for working families, which were set to expire later this year."*

Comment: Just a note for anyone concerned about the national debt, the Congressional Budget Office score for the OBBBA indicates that it will increase the national deficit by approximately **$4.1 trillion** over 10 years ($3.4 trillion in primary deficit and $718 billion in interest costs). Not exactly what Senator Sullivan is promising.

Page 4 of 25 Introduction and General Summary

(Last paragraph) *"Finally, this legislation addresses our national debt of over $36 trillion, which has reached dangerous, unsustainable levels. This level of debt drives high inflation and high interest rates, top concerns of Alaska families. The OBBBA represents one of the largest spending reductions in history-$1.6 trillion over ten years, and it accomplishes these savings principally by eliminating waste, fraud, and abuse, but not cutting essential services for Alaskans."*

Comment: This comment is misleading and doesn't reflect the opinion of the Congressional Budget Office. Also, the passage of the OBBBA in July of 2025 increased the national debt limit by another $5 trillion, bringing the new total to $42.1 trillion. If the OBBBA was going to save our government money then one would think the raise in the debt ceiling to this amount wouldn't be neeeded.

We've also seen how the OBBBA is being administered to address waste, fraud, and abuse by;

- Firing Federal workers without cause or legal basis
- Withholding an estimated $350 million of congressionally-approved funding for minority serving colleges and universities (UAF lost and estimated $2.9 million)
- Cancellation of $280 million in Biden-era EPA grants for communities in Alaskans
- Cancellation of a $20 million grant for flood protection in western Alaskans

Page 6 of 25 Fast-tracking Project Permitting and the Elimination of Biden-Era Restrictions

(Last couple of sentences on the page) *"As a member of the Senate Environment and Public Works (EPW) Committee, I have long advocated for comprehensive National Environmental Policy Act (NEPA) permitting reform, a worth bipartisan goal necessary to get more projects onlinein a timely manner. In the OBBBA, I championed and amendment to NEPA to add and optional "fast-track"*

mechanism ta will allow resource development project sponsors to pay a fee to expedite environmental reviews, ensuring worthy projects receive accelerated consideration and sponsors have certainty in timelines."

Comment: So, money talks? If you pay some "fee" your project will be put in front of the line instead or other priorities an agency might be facing? Also, the President has been firing staff (illegally in many cases) so there is also a question of WHO will have the staff to "expedite" and environmental review. Wanting a project to move faster doesn't negate or minimize the amount of work required by law to actually do an environmental review for a project.

Page 7 of 25 Increasing Timber Production

(Second sentence, first paragraph) "*This section increases timber harvests and long-term contracts in National Forests and public lands,…*

Comment: Please clarify "long-term" contracts. Are we trying to do more 50yr contracts again? I worked on the long-term contract in the Ketchikan Area during the 80's and know that the timber sale was also supported by adequate funding for staff to plan, layout, and administer the contracts AND there was significant funding provided for road building. (The Alaska National Interest Lands Conservation Act (ANILCA) provided $45,000,000 annually, from 1980 until 1990 to support timber operations on the Tongass National Forest.) There is NOTHING mentioned in the OBBBA that hints of any fiscal support to increase timber production to support more timber sales.

Again, the President has been cutting staff so there is unlikely to be any reasonable increase in available timber in the near future. Also, timber on the Tongass does not compete well in the Pacific Rim market with other countries flooding the markets with timber at a lower cost or by harvesting where there are fewer environmental restrictions. Last, let's remember that when the last two long-term contracts were canceled illegally by the government (The Tongass Timber Reform Act of 1990 made changes to the two contracts without negotiations), the companies got reasonable compensation. However, when one company tried to sue for damages the judge threw our their case since they could not show they had ever made a profit after 40 years in business. Instead, he found that the only money made by the company was from the subsidies provided to them by the Japanese and United States governments.

Page 11 of 25 Removing Taxes on Firearms

(Middle paragraph at the top of the page) "*The OBBBA removes the tax on firearm manufacturing and firearm purchasing. Now, certain firearms and silencers will be $200 less expensive to the consumer."*

Comment: The Federal Aid in Wildlife Restoration Act of 1937, collects taxes on guns. The revenue is directed to the state wildlife agencies to fund wildlife restoration and management, acquire land for wildlife habitats, and create and maintain public shooting ranges. So, will the reductions in this revenue impact funding for our State wildlife management? If so, by how much?

Page 18 of 25 Reforming Mediaid and Ensuring No Funding Cuts for Alaska

(Middle two paragraphs) *"I've been working for years on legislation to increase Alaska's Medical Federal lMedical Assistance Percentage (FMAP) by 25 percent to better reflect the hight cost of living and high cost of health care delivery in our state. My FMAP provision was included in the Senate version of the OBBBA with White Hous and Senate Republican support….Senate Democrats challenged y Alaska FMAP provision...arguing….it violated budget reconciliation rules…,the parlimantarian advised that the provision violatedhe requirements of the "Byrd Rule," resulting in the unfortunate removal of this pro-Alaska health care provision….*

Comment: The "Byrd Rule" was adopted on October 24, 1985 by a Senate vote of 96-0. The purpose was to keep reconciliation bills focused on their core purpose of adjusting spending and revenues and to prevent them from being used to attach unrelated policy changes. It doesn't mean Senator Sullivan can't try again to pass this legislation through the regular Senate process.

Page 19 or 25 B. Instituting Commonsense Work and Volunteer Requirements for Able-Bodied Adults

(Second Paragraph) *"The OBBA maintains full Medical Benefits, implementing tailored reforms that uphold Medicaid, prevents misuse, and refocuses benefits on vulnerable Americans."*

Comment: While the intent is nice the actual impact will be that people will lose their insurance for many reasons. What is put in place largely mimics Georgia's *Pathways to Coverage* program which has had some undesirable effects. Such as;

- Significantly lower than expected enrollment
- A high number of coverage losses due to the complexity of reporting hours, and
- No increase in employment amoung the effected population

Alaska will likely lose people on Medicaid for these same reasons. While it will help pay for the tax cuts that, benefit mostly the rich, it will also likely drive up medical costs for the rest of us in several ways. Hospitals will have more ER visits from uninsured that they are REQUIRED BY LAW to service, no matter if people have coverage or not. Fewer people on insurance drives up the costs for those who remain. Also, more people are likely to die as they are less likely to seek services early.

Page 20 or 25 B. Instituting Commonsense Work and Volunteer Requirements for Able-Bodied Adults

(First paragraph) *"Despite these broad liabilities, I heard from some organizations that these commonsense work and volunteer requirements would be difficult to implement by 2026 in Alaska. To ease implementation concerns, the bill includes a "good faith" waiver, which the Alaska delegation worked hard to secure, that gives certain states additional time, until 2028, to come into compliance."*

Comment: During this last year, I talked to a State employee who worked to review applications for benefits. She noted that about five years ago, Alaska had about 300 employees working to process applications for assistance. Currently, there were about 70. They are so far behind that some applications are being approved for persons who have **died** before their benefits could be approved.

The Governor has talked about "contracting" to help process these services but that will be of little help. Contractors will still have to be trained to know our State requirements and funds beyond these contracts will be needed to administer the contracts. The State receives funding from the federal government to administer this program. We should be holding our State government more accountable in the oversight and management of these programs.

Page 20 of 25 A. Reducing burdens on Alaska's Elders, Individuals with Disabilities, and Rural Communities

(Last paragraph, second sentence) *"I was a strong supporter of the Social Security Fairness Act, signed into law earlier this year, to fix this problem for our seniors, straighten our state's workforce, help with recruitment efforts, and benefit hard-working Alaska families.*

Comment: This was a bipartisan bill that was passed and signed during the Biden Administration. It does show an example of what good bipartisan work can do, unlike what is being discussed in the highly partisan OBBBA in this presentation. FYI, I did personally benefit from the passage of this bill.

Page 22 of 25 B. Protecting Flexibility for SNAP Benefits in High-Cost Areas

(First paragraph) *"This bill provides good governance SNAP cost-sharing measures to ensure that states properly administer their programs and get SNAP benefits to people who need them most. Unfortunately, the State of Alaska has recently had the highest "effor rate" for SNAP benefits in the country. Our state needs to do a better job to bring the error rate down when administering SNAP."*

Comment: As previously noted, the federal government provides the state with funds to administer this program. Unfortunately, our state government has not made it a priority to hire enough employees to provide a service to Alaskans who need it.

The OBBBA is estimated to reduce federal spending on SNAP by almost $187 billion over 10 years (2025-2034).

Our current Administration plans to stop all SNAP funding beginning in the month of November **despite having sufficient reserved fund to continue the program.** A previous USDA shutdown plan noted that contignec funds were available, but a subsequent memo from the agency stated that they weren't legally available to cover regular benefits" during a funding lapse. If the Assembly has an opportunity to ask questions, one might ask the status of these reserves to be used during this shutdown?

Page 22 of 25 X. Achieving Historic Savings for Our Children's Future

(Second Paragraph) *"The OBBBA represents one of the largest spending reductions in history-$1.2 trillion- and will reduce the deficit by $36 billion over 10 years, according to the nonpartisan Congressional Budget Office."*

Comment: I checked this several times, this statement is false. The Congressional Budget Office says that the overall bill will likely add more than $4.1 trillion dollars to our existing deficit over the next 10 years. Our Senator may be addressing the specific cuts that could cause some reductions in one part of the bill, but overall the national debt will go up.

Page 23 of 25 XI. Fighting back Against Senate Democrats and Democrat Minority Leader Schumer's Relentless Attempts to Shut Down Alaska's Economy and Harm Our Citizens

(First paragraph, last sentence) *"...specific provisions must be challenged by Republican or Democratic Senators in order for the parliamentarian to issue a ruling that potentially strips the provision from the bill."*

Comment: The budget reconciliation process is a special legislative procedure in the US Congress to pass certain budgetary legislation with a simple majority vote in the Senate, bypassing the usual filibuster and 60-vote threshold. It begins with both chambers agreeing to a budget resolution containing reconciliation directives that instruct committees to change laws to meet specifc deficit or spending targets. Amendments offered during floor consideration are subject to restrictions (e.g.; the Byrd Rule) to ensure they are budget-related.

Senator Sullivan has been serving in Congress since 2015. One would think he'd understand the budget process by now.

My final comments;

The implementation of much of the OBBBA will require a strong federal workforce and some continued federal funding. The attacks on federal employees is uncalled for as they have all taken oaths to the Constitution and have worked in a non-partisan way under many changes in the Administration. There loss not only impacts the quality and quantity of work but, hurts our community financially by losing good paying, career making, jobs.

Thank you for your consideration of my comments;

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