



Meeting Report for January 18, 2010
by Richard Bort, Denny Schneider, and Joe Vitti

Valley VOTE Board members, community leaders, and concerned citizens convened on January 18, 2010 at Galpin Ford to hear featured speaker Trent Lange, Chair of "Californians for Fair Elections," speak about a forthcoming proposition on the June 2010 ballot.

Trent Lange

Trent Lange has served on the board of the California Clean Money Campaign since 2003 and currently serves as Chair of Californians for Fair Elections, which is leading the campaign for the **California Fair Elections Act on the June 2010 ballot**. He has been a spokesperson, lobbyist, and policy expert for the campaign, analyzing campaign spending and proposing solutions to legislative issues over public financing, both for California and elsewhere. Trent's remarks focused on the importance of the passage of the California Fair Elections Act on the June 2010 ballot.

The California Fair Elections Act (CFEA) will be on the June 2010 ballot and, if passed, could pave the way in which we fund elections in California in the future. (A ballot proposition number will be assigned in the next few weeks.) Trent Lange reiterated the well-known axiom that money buys access to the political process, and the special interests in California lavish plenty of money on legislators and other political leaders at all levels of government. This has the effect of shutting out the rank and file voters. As a result, "every single decision made by legislators at the federal, state, and local levels is influenced by campaign contributions."

The CFEA calls for the statewide election for the office of Secretary of State in the 2014 election to be publicly funded. That office was selected primarily because there are relatively few special interests involved, and the Secretary of State is the state's top election supervisor. Lange said that he expects the base amount of public funding to be used for that election will be approximately \$1.0 to \$1.3 million, which is predicated on the amount raised and spent by the incumbent Secretary of State, Debra Bowen, in the last election. The public funds provided to the so called "Clean Money" candidates will be supported by an increase in registration fees charged to lobbyists. Lange noted that presently California charges lobbyists only \$12.50 to register, but the CFEA will raise that fee to \$350.

The origin of this proposition lies in the California Clean Money campaign, which Lange spearheaded as early as 2003. Lange described "Clean Money" as involving two principal elements: (1) political contributions to any one candidate are limited to not more than \$5 per donor; and (2) a candidate running as a "Clean Money" candidate makes a pledge not to accept any larger sums. **For the office of Secretary of State the "Clean Money" candidate must obtain at least 7,500 signatures with a donation of \$5 from each.** The "Clean Money" candidate then qualifies for public financing, the amount of which is defined by the state and based on actual expenditures by candidates for that same office in previous elections. Once qualified, the "Clean Money" candidate is barred from raising money from corporations, labor unions, and political action committees, and is subject to stringent reporting requirements. This process, pledge, and public financing make the candidate accountable only to the voters without any influence from the special interests.

The issue of so-called "independent expenditures" is one of the potential potholes in this scheme. **Lange pointed out, however, that any opposing independent expenditures that name the "Clean Money" candidate, or any independent expenditures that support the opponent of the "Clean" candidate by name, will trigger additional matching funds for the "Clean Money" candidate.** An "independent expenditure" is one that is made by an individual, corporations, labor union, PAC, or other organization that is not affiliated with the candidate and is made without the candidate's prior knowledge or permission.

Valley VOTE members asked the question of who supports and who opposes the CFEA proposition. Lange noted that former State Assemblyman (and Valley VOTE supporter) **Keith Richman is a strong supporter**, and that the proposition has strong bipartisan support. It was pointed out that **Republican John McCain has supported Clean Money for years**. In his home state of Arizona the citizens have elected about 80% of the legislators that have run as Clean Money candidates, including the former governor, Janet Napolitano. Other supporters include **California Common Cause, League of Women Voters of California, and the California Nurses Association**. Lange noted anecdotally that the California Nurses Association's support is based on the fact that their chief antagonists, the HMOs and hospitals, typically have much more money to spend on lobbying. He said that the only open opposition to the CFEA proposition is (surprise!) the Institute of Governmental Advocates.

Lange predicted that if the CFEA proposition succeeds and the public funding of the subsequent election of Secretary of State works as hoped, the **next statewide office to come under the CFEA would be the state's Insurance Commissioner**. Lange noted that this is a critical office to bring under the public financing rules because insurance companies have been known to pour millions of dollars of campaign support into the election of the Insurance Commissioner. Lange noted anecdotally that when the **North Carolina Insurance Commissioner was elected under that state's Clean Money plan, the new commissioner rolled back insurance rates to the rates of two years prior and forced the insurance companies to give back some \$50 million in rebates to their customers**. All this was possible because the new insurance commissioner was no longer beholden to the insurance companies in the state; instead, he was beholden only to the citizens who elected him to the office.

Lange expressed the hope that if California adopts Clean Money for its statewide elections, the governor and legislators will be freed from the harnesses of the special interests and will be able to balance the state's budget in a way that is responsive only to the citizens.

The California Fair Elections Campaign is seeking endorsements and at least 7,500 signatures and contributions of \$5.00 each to help fund their campaign. The Valley VOTE Executive Committee will take up the endorsement request at its next meeting. Meanwhile, members and the **general public can contribute by going to the campaign's website: www.YesFairElections.org.**

Valley VOTE - Committee Reports

Nuclear Power - Joe Vitti

Most residents in Los Angeles are not aware of the fact that **9% of the power distributed by the LADWP, for many years, is from a nuclear power plant.** However, they are very aware of the fact that their bimonthly DWP bill for power has been significantly increasing over the last couple of years. This is due in large part to the introduction of costly renewable energy sources like wind and solar power. The LADWP's current and future long range plans are to continue to eliminate reliance on "dirty" cheap power from coal plants. Currently about 44% of the city's power needs are generated at coal plants and this shift to costly renewables will continue to increase the ratepayer's bill for many years. The introduction of additional power from "clean" nuclear plants can significantly off set these future energy cost increases since the cost of nuclear is about the same as coal. However, **the DWP has no plans for additional nuclear power any time in the future, regardless of the world wide expansion of Nuclear Power and it's outstanding record of dependable base loaded power and safety in this country.**

Below are two suggestions for the DWP to consider.

1) Increase nuclear power contribution from Palo Verde

The source, for many years, of L. A.'s nuclear power is from the Palo Verde Power Plant located in AZ . There are 7 utility companies that share joint ownership of the facility, including the LA DWP, with Arizona Public Service having majority ownership with 29%. The original plans called for the addition of 2 more reactors thereby increasing the power output by 40%. This could potentially increase the nuclear power contribution from Palo Verde from 9% to 15% for the LA DWP, providing power costs similar to coal but without the detrimental environmental effects. The DWP has not planned for any additional power from Palo Verde and have completely ignored this option despite the fact that plans to expand Palo Verde are underway.

According to The Arizona Republic, "a \$700 million project at Palo Verde Nuclear Generating Station---its most expensive investment since it opened in the mid-1980's will increase output from unit one by adding two new 806-ton generators."

2] Consult with the Fresno Nuclear Energy Group (FNEG) for possible cooperation to provide future power for the LADWP

Areva, the leading French company building nuclear plants, and a Fresno California entity, referred to as the Fresno Nuclear Energy Group (FNEG) have signed a letter of intent to formally cooperate in the development of two reactors for the central valley. The plan is to ship the spent fuel from the reactors to France, to satisfy a 30 year old California State ban on new nuclear plants that restricts construction without "an approved and demonstrated technology or means for disposal of high level nuclear waste"

Additional facts about nuclear power.

***Half of the 104 operating reactors in the USA have had their operating licenses renewed by the U.S. Nuclear Regulatory Commission (NRC) for another 20 years. Last April, the longest operating reactor in the US, Oyster Creek in New Jersey, has it's license renewed to April of 2029 which is 60 years after it's first license was issued.**

***Currently the Nuclear Regulatory Commission (NRC) is working on 17 applications for 26 new nuclear plants for the US.**

***There are 31 U.S. States with 68 nuclear power plant facilities with 104 operating reactors.**

***A total of 26 countries generate more than 25% of their electricity using nuclear power with 440 reactors operating worldwide in 2008**

Housing-Vic Viereck

Vic Viereck reported that the city is imposing a new burden on owners of rent controlled apartments. The L.A. Rent Stabilization Ordinance (RSO) requires owners subject to the ordinance to give each tenant a copy of the current year's Rent Registration Certificate. Effective in 2010, however, owners will have to post a NOTICE TO TENANTS, which will notify everybody that the building is under the ordinance. The notice, which summarizes the RSO regulations, must be posted in two languages in a prominent place in the building lobby or near a public entrance to the property.

Tenants of the property pay a reduced rent (at the owner's expense) due to the RSO, and some tenants might be embarrassed for other people to know that their rent is subsidized. Also, in a city in which dozens of languages are spoken, a problem might be created by the second language being only Spanish.

ON ANOTHER, RELATED, MATTER .

Owners who evict a tenant for other than tenant defaults (such as condo conversions), need to provide those tenants with an IRS Form 1099 showing the amount of relocation assistance payments, if any. It could also be important to withhold some income tax from such payments.

LAWA-Denny Schneider

LAX passenger travel is up slightly, construction has started on the midfield taxiway, and the Tom Bradley International Terminal replacement upgrade and Central Utilities Plant upgrade have been approved.

More security equipment and safety fixes such as moving north airfield taxiways are identified but not started. LAX passenger convenience improvements lag, including the simplest project: better signage. Major items, such as the Consolidated Rental Car Facility, which was approved four years ago, would remove the "rolling billboard" bus traffic but has not been started yet. Also, major road repairs are needed. In 2003, CalTrans reported failed relief joints in the upper roadway but repairs remain delayed.

Residents around LAX remain concerned about LAWA's push to expand northward for "safety" reasons. The Northside Safety Report, being prepared by NASA, is due next month. Moving runways north would cost billions, would remove a substantial part of the Westchester Business District, invoke very expensive construction techniques to overcome difficult soil conditions and a faulting tunnel, and it may involve major toxic cleanup.

LAWA increased Van Nuys Airport (VNY) lease rates, claiming the airport is losing money. In reaction, VNY tenants called for privatization to operate the airport more efficiently.

Ontario International (ONT) has seen passenger volume drop substantially in 2009. ONT locals are calling for more say and/or even to take over the airport. The third LAWA airport, Palmdale (PMD), has no operating carriers, and the City of Palmdale seeks to take it over.

DWP& City Budget – Jack Humphreville

DWP

Mayor Villaraigosa has appointed Austin Beutner as his new Economic Czar, in which part of his responsibilities will be to oversee DWP. Jack said that he is actually enthusiastic about this appointment since Beutner has an excellent track record, he understands finance and organizations, and – most importantly – he has an excellent professional reputation to protect.

On the issue of a Rate Payers Advocate, the City Council's Energy and Environment Committee has directed the CAO, the CLA, and the City Attorney to prepare a report on merging the three motions by Council Members to create a Rate Payer Advocate, an Inspector General, and an Ombudsman. The devil is in the details.

Jack indicated great concern about the construction and installation of the 400 megawatts of In-Basin Solar Power by the DWP and its IBEW construction work crews because it will cost billions extra in addition to the already high cost of solar power.

City Budget

This year's projected budget deficit has increased from \$100 million to \$200 million year-to-date because of a shortfall in revenues and salary overages. In fact, \$200 million may be understated. Next year's budget deficit is projected to be \$400 million, and that is after deferring pension payments of about \$400 million by changing some arcane assumptions related to pension fund accounting. This is tantamount to another raid on the employees' pension fund. Furthermore, maintenance of our infrastructure is under funded. The net: the real deficit is probably north of \$1 billion. The projected four year deficit exceeds \$3 billion. The Mayor's Budget Survey does not address the Structural Deficit, but relies more on one-off spending cuts and selected tax and fee increases.

The Mayor is proposing to sell our parking facilities to fund operating expenses. Simply put, it is a bad idea to sell long-term assets to pay for operating expenses, and it delays making tough decisions that address the structural deficit.

What are our alternatives? Jack argued that we need civilian oversight like New York City had in 1975 when it faced bankruptcy. That city established the Emergency Financial Control Board, consisting of private citizens, to oversee the City's finances. NYC also established the Municipal Assistance Corporation to fund the deficit by selling bonds backed by a dedicated revenue stream to improve the bonds' credit rating and insure marketability.

Transportation- Bart Reed

Bart Reed, Executive Director of The Transit Coalition, reported that he is working on an initiative for the November 2010 ballot that would force the state to use gasoline taxes for roads instead of allowing the funds to be borrowed for other uses. He estimated that some \$1.3 billion to \$1.8 billion per year has been diverted over the past eight years.

Membership - Richard Leyner

Richard Leyner, Valley VOTE Chair, reported that notices for annual dues went out last week, billing members for \$25, and Board members for \$50 (or more). Leyner also announced that he is planning to hold a "party" in March for interested members to get together to discuss strategy for the Valley VOTE organization. He pointed out that Valley VOTE has no paid staff and needs the financial help from it's members and friends to continue it's advocacy for the citizens of the valley and the city.

Next Meeting

Valley VOTE will hold it's next meeting at Galpin Ford on Monday, Feb. 15,2010 at Galpin Ford starting at 6:30PM.

Valley VOTE is a diverse coalition of San Fernando Valley residents, business people, educators, community activists, and organizations, committed to exploring and fostering the implementation of programs that empower the people of the San Fernando Valley and the City of Los Angeles, to improve local governance, education and public participation on policy matters.

For additional information about Valley VOTE, for an upcoming meeting agenda, or for previous meeting reports and press releases, we encourage you to go to the Valley VOTE website: www.ValleyVote.org.

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