

September
2004

LWV/LAC VOTER

The League of Women Voters of Los Angeles County in both its values and practices affirms its belief and commitment to diversity, pluralism and affirmative action.

The League of Women Voters welcomes new members, both men and women, who are citizens of voting age.

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President's Message

Now that summer is nearly over and the political party conventions are fading from memory, it is the season for all good League members to get involved in the hectic state, local, and federal elections activities. There is a role, small, medium or large for every League member who has an hour or more to give to Make Democracy Work in 2004. It is our mission to Get Out the Vote in November by encouraging more people of all ages, genders, economic levels, and opinions to register to vote, to learn more about the candidates and the 16 state and one county ballot measures, and to entice all to the polls.

Every member can encourage friends, associates, or total strangers; youth, single women, new citizens, soccer moms, or men or new neighbors to register or update their registration. Every member can call to remind a neighbor or student away at college to vote or ask a friend to go to an early voting site October 20 to 29 to vote. Every member can read the county ***Election Info*** and ***Pros and Cons*** to become better informed on the issues and can share their copy with a friend or relative. Or members can deliver copies of ***Election Info*** to church, the hair dresser, other social groups, or the dentist's or doctor's office. Every League member can help at a forum, watch a televised forum, or tell others when to watch a forum or Pros and Cons presentation. Each of us can and should help Get Out the Vote!

Los Angeles County League is excited about its latest project, the Judicial Candidate Interviews. To be produced by Santa Monica TV with professional moderator and film crew, these interviews will be distributed on DVD to all local cable TV stations and to each local league. We hope each league uses the 60 minute program locally and also encourages the cable channels in their area to play the program for the public. This is an outstanding example of the League providing non-partisan information on elective races for which the voters are seeking useful means to make informed decisions. Thanks to our energetic committee, especially Barbara Inatsugu, Santa Monica, and Frances Talbott-White, LWVLA, for making the arrangements and developing the questions for these Superior Court run-off contests.

We can make the League the primary organization that people consult for elec-

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tion information, through **Smart Voter, Election Info and Pros and Cons**, Pro and Con speakers, registration expertise, and general voting enthusiasm and knowledge.

Let's Make Democracy Work!

*Margo Reeg
President*

SOCIAL POLICY

Federal Funding - \$1.5 billion has been restored to Section 8 – low income housing - (President Bush had requested a \$1.6 billion cut) via the committee process. However, it's still far from a congressional budget vote. Although it appears that the House is supporting Section 8, cuts were recommended for allied housing programs. The VA-HUD Subcommittee of Appropriations in the House voted to put back in \$1.5 billion and not to include any of the Flexible Voucher Program provisions, they made cuts to all the other HUD programs by 4.3%. The full Appropriations Committee passed the recommendations of the Subcommittee as is (with no changes). Next, the entire House of Representatives has to approve this, as part of the larger budget. Then the Senate has to consider the HUD recommendations as part of their budget negotiations. It is not likely that Congress will be able to finalize the HUD budget before the elections. Congress reconvenes on September 7th and the HUD budget will still have to go through all the committees of the Senate."

State Funding - Los Angeles County Probation Camps survived the state budget process and are funded for the coming year.

*Sally Rivera,
LWVLAC Social Policy Chair*

California Budget Project Update

New poverty and income data were released by the US Census Bureau today on the extent of poverty and household incomes and health coverage in

California and the nation. The new data show little progress in California or the nation. The income of the household at the midpoint of the income distribution – the median – remained essentially flat in California and fell slightly in the nation as a whole.

Since 2000, the last year before unemployment began to rise, the number of Californians in poverty has risen by 193,000. The number of Californians lacking health coverage rose by a similar 200,000 during the same period.

Californians fared slightly better than Americans as a whole by key indicators contained in the new data. California's poverty rate and median income remained essentially flat in 2003, while the national poverty rate increased in 2003 and the median household income for the nation as whole fell by \$1,538 between 1999-2000 and 2002-2003.

Highlights of the new data can be found on the CBP website at <http://www.cbp.org/whatsnew.htm>

VOTERS SERVICE

The LWV Whittier/Whittier College film festival will be on October 23. Three documentary films relating to voting issues will be screened, beginning in the early afternoon. They are "Invisible Ballots," "Trouble in Paradise" and an account of Shirley Chisholm's attempt to become the Democratic presidential nominee in 1972. "Invisible Ballots" treats problems found with DRE systems. The Whittier League plans to have a speaker who will address cited problems and discuss safeguards. "Trouble in Paradise" is a variant of "Unprecedented" (voting problems in Florida during the 2000 presidential election). TIP has been characterized as less confrontational than "Unprecedented." HAVA discussion easily flows from TIP.

LWVUS has launched a new Voters Service listserv for discussion of issues relating to voting and exchange of project ideas. Any League member interested in Voters Service is welcome to join. Please contact your local League President or Chris Carson for sign up information.

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CALIFORNIA TRANSPORTATION COMMISSION TRANSPORTATION FUNDING SHORTFALL

In total over \$5 billion has been lost to transportation in fiscal year (FY) 2004-05 and the prior two fiscal years due to loans, transfers, diversions, and lower than expected federal reimbursements. Gasoline sales tax revenues (\$3.3 billion) that were dedicated to transportation with the enactment of Proposition 42 have not been made available due to state budget ills. Regular gas tax (ad valorem) funds from the State Highway Account (\$1.4 billion) have been used to keep the construction going on allocated Traffic Congestion Relief Act of 2000 projects that were to be funded with gasoline sales tax revenues. The latest cash forecast from Caltrans indicates that federal reimbursements will be running approximately \$300 million less in FY 2004-05 than previously expected.

Background

On May 5, 1999, the California Transportation Commission (CTC) published a 10-year needs assessment of California's transportation system. The CTC roughly estimated the state's unfunded transportation need to be \$117 billion. In response, the Governor proposed and the Legislature enacted the Traffic Congestion Relief Act of 2000. The Act provided, over a six year period, \$6.8 billion in new funds to transportation, derived from the state's sales tax on gasoline, to initiate projects to help relieve traffic congestion and provide funds for other transportation infrastructure needs. In March 2002, 70% of the electorate approved Proposition 42, a legislative constitutional amendment that permanently dedicated revenues from the sales tax on gasoline to transportation infrastructure needs. Under provisions of Proposition 42, upon declaration of the Governor and with two-thirds concurrence of both houses of the Legislature, the gasoline sales tax dedication to transportation can be suspended.

Unfortunately, due to constant state budget ills, none of the gasoline sales tax derived funds promised to transportation (approximately \$1.1 billion a year) has been transferred from the general fund and made available to address the state's huge transportation infrastructure need. In response, the CTC suspended all new allocations to Traffic Congestion Relief Act projects in December 2002. In reality, the on going construction of Traffic Congestion Relief Act projects allocated by the CTC prior to December 2002 has been kept going by continuous borrowing of regular gas tax (ad valorem) funds from the State Highway Account. This borrowing, combined with the fact that federal aid is not flowing in the amounts projected, strained the State Highway Account to such an extent that the CTC suspended all new allocations during FY 2003-04 of programmed State Transportation Improvement Program (STIP) projects and sharply reduced allocations of state highway rehabilitation projects, a category of transportation projects that have a very high statutorily mandated priority.

The outlook for FY 2004-05 is turning out to be even more severe than for the prior fiscal year. The slower than expected flow of federal transportation funds, exacerbated by the lack of Proposition 42 funds, has imperiled transportation project allocations. Per the latest cash estimate, the State Highway Account will only have enough cash to sustain \$500 million in project allocations through December 2004; this is less than one quarter of the planned \$2.2 billion in allocations for the fiscal year. The CTC will not resume STIP or Traffic Congestion Relief Act project allocations, will be unable to do any new GARVEE bonding and will be forced to stop state highway rehabilitation project allocations after the December 2004 meeting. At this rate, the 1999 estimated \$117 billion unfunded transportation need will grow to \$160 billion by FY 2009-10.

COMPARISON AVAILABLE TRANSPORTATION FUNDS TO ACTUALLY AUTHORIZED
(\$ in billions)

	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	SUM
Annualized Unfunded Need	\$11.3	\$11.5	\$11.7	\$12.0	\$12.5	\$59.0
Transportation Funds as Available (prior to transfers, loans or diversions)						
Local Assistance	\$0.9	\$1.0	\$1.0	\$1.0	\$1.1	\$5.0
Gas Tax Funds (STIP/SHOPP)	\$2.9	\$2.8	\$2.4	\$2.5	\$2.4	\$13.0
Sales Tax on Gas (Prop 42)	\$0.0	\$0.0	\$1.1	\$1.1	\$1.1	\$3.3
Total	\$3.8	\$3.8	\$4.5	\$4.6	\$4.6	\$21.3
Transportation Funds as Actually Authorized (FY 2003-04* & FY 2004-05 Estimated)						
Local Assistance	\$0.9	\$1.2	\$0.9	\$0.9	\$1.1	\$5.0
Gas Tax Funds (STIP/SHOPP)	\$2.5	\$2.6	\$2.1	\$1.4	\$0.8	\$9.4
Gas Tax Funds (TCRP)	\$0.1	\$0.3	\$0.3	\$0.5	\$0.2	\$1.4
Total	\$3.5	\$4.1	\$3.3	\$2.8	\$2.1	\$15.8
Transportation Funds Lost	\$0.3	-\$0.3	\$1.2	\$1.8	\$2.5	\$5.5

* Final allocation numbers for FY 2003-04 Local Assistance will not be available until after end of federal fiscal year.

**INVENTORY OF 10 YEAR UNFUNDED TRANSPORTATION NEEDS
GAS TAX ELIGIBLE PROJECTS ESCALATED TO FY 2004-05***
(\$ in billions)

	2004 Unfunded Needs	
Local Streets & Roads		
Arterials		\$14.9
Pavement Rehabilitation		\$11.9
Bridge Rehabilitation ¹		\$0.7
State Highways		
Highways		\$22.3
Interregional Improvements ¹		\$6.6
Bridge & Highway Rehabilitation		\$6.3
Safety Improvements		\$1.3
Recurrent Problems		\$4.9
Operational Improvements		\$5.3
Storm Drainage Retrofit		\$6.8
Retrofit Soundwalls		\$0.7
NAFTA Transportation Infrastructure		\$0.5
Native American Reservation Roads		\$0.2
Ground Access Improvements		
Airports		\$3.3
Seaports		\$1.3
Intercity Passenger Rail Service		\$4.9
LA Basin Rail Consolidation		\$2.6
Bus & Rail Transit		
Urban & Commuter Rail		\$22.3
Capital Improvements		\$7.0
ADA Capital Improvements		\$0.1
Bicycle & Pedestrian		\$1.6
	Total	\$125.4
Unfunded needs annualized over 10 years	\$12.5	\$12.5
	As Available	As Authorized
Annual Local Assistance investment	\$1.1	\$1.1
Annual STIP/SHOPP investment	\$2.4	\$0.8
Annual Prop 42 investment	\$1.1	\$0.2
	Total	\$2.1
Additional revenue required to address need	\$7.9	\$10.4

¹ May be understated.

* Extracted from the May 1999 CTC Inventory of Ten-Year Funding Needs, with a 2% per year escalation factor applied FY 2000-01 to FY 2003-04 and 5% FY 2004-05.

**INVENTORY OF 10 YEAR UNFUNDED TRANSPORTATION NEEDS
GAS TAX ELIGIBLE PROJECTS ESCALATED TO FY 2009-10***
(\$ in billions)

	2009 Unfunded Needs	
Local Streets & Roads		
Arterials		\$19.0
Pavement Rehabilitation		\$15.2
Bridge Rehabilitation ¹		\$0.9
State Highways		
Highways		\$28.4
Interregional Improvements ¹		\$8.4
Bridge & Highway Rehabilitation		\$8.0
Safety Improvements		\$1.6
Recurrent Problems		\$6.2
Operational Improvements		\$6.8
Storm Drainage Retrofit		\$8.7
Retrofit Soundwalls		\$0.9
NAFTA Transportation Infrastructure		\$0.6
		\$0.0
Native American Reservation Roads		\$0.3
Ground Access Improvements		
Airports		\$4.2
Seaports		\$1.6
		\$0.0
Intercity Passenger Rail Service		\$6.2
		\$0.0
LA Basin Rail Consolidation		\$3.3
Bus & Rail Transit		
Urban & Commuter Rail		\$28.4
Capital Improvements		\$9.0
ADA Capital Improvements		\$0.1
Bicycle & Pedestrian		\$2.0
	Total	\$160.0
Unfunded needs annualized over 10 years	\$16.0	\$16.0
	As Available	As Authorized
Annual Local Assistance investment	\$1.1	\$1.1
Annual STIP/SHOPP investment	\$2.4	\$0.8
Annual Prop 42 investment	\$1.1	\$0.2
	Total	\$2.1
Additional revenue required to address need	\$11.4	\$13.9

¹ May be understated.

* Extracted from the May 1999 CTC Inventory of Ten-Year Funding Needs, with a 2% per year escalation factor applied FY 2000-01 to FY 2003-04 and 5% FY 2004-05 to FY 2009-10.

A World of Its Own: Electric Utility Regulation in California



Background: Public utilities bring essential commodities and services to the public – electricity, gas, water, telephones, transportation.

At their beginnings a century and more ago, they enjoyed (some more than others) a period of untrammled competition. The results included a disorderly, sometimes dangerous and always needless multiplication of pipe lines and overhead pole lines, and demonstrated to the satisfaction of most that public utilities were “natural monopolies.”

Legislatures granted them exclusive service territories. Recognizing that this protection from competition could be abused, they also set up regulatory bodies to control utility rates and ensure that they operate in the public interest. A particular benefit, not always generally appreciated, was the ability this gave the utilities to make orderly, long-term plans to serve the public.

The Regulators and the Regulated: Our state is served by three major investor-owned electric utilities: Pacific Gas & Electric (PG&E), Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E). Other electric utilities are owned by municipalities or irrigation districts and not subject to state regulation. Three principal state agencies do the regulating:

The California Public Utilities Commission (CPUC), with both legislative and judicial powers. A principal duty of the five commissioners is to question and analyze detailed applications by the utilities for rate changes and set the final rates that are charged customers.

The California Energy Commission (CEC) (as it is generally known). Its five commissioners must forecast energy needs, license power plants, and promote conservation and alternative energy resources.

The California Independent System Operator (CA ISO), established in 1996 along with the legislation, AB 1890, which “deregulated” the private utilities. AB 1890 required the utilities to commit control of their transmission facilities to the ISO.

In addition, **the Federal Energy Regulatory Commission (FERC)** regulates natural gas and hydropower projects, and interstate transmission of natural gas, oil and electricity.

Electricity Generation: Through nearly all of the 1900s, most of California’s electricity was produced in plants owned by the three major investor-owned utilities (IOUs). As their fuel costs increased and as they invested in new facilities, they petitioned the CPUC for adjustments in their rates to recover these costs. For a variety of reasons, by the 1990s electric rates in California were among the highest in the nation. Demand was increasing, power plants were aging and new ones were not being built.

Hoping to bring prices down by encouraging the construction of new plants and by increasing the available fuel supply, the state legislature passed AB 1890, which ended the protected-monopoly status of the three IOUs. They were required to sell most of their largest generating plants. Competition was invited into the market.

The results are well remembered. “Merchant generators” – independent power producers, out-of-state utilities, and power brokers – established a *de facto* oligopoly. They kept prices high. In the 2000-2001 energy crisis they took plants off-line when demand was highest – like hot summer afternoons with massive air-conditioning usage – causing truly outrageous wholesale prices. Legislation now keeps them from doing this. And the CA ISO is developing ways to separate real from contrived price fluctuations, so the legislature or the CPUC can cap prices if manipulation again becomes evident.

In 2002 the legislature passed SB 1389, which requires the CEC to prepare an Integrated Energy Policy Report every two years. The staff is asked to look ahead five to 20 years and judge what California’s energy systems should look like, and what we need to do to get there. The LWVC Energy Committee has been working with the CEC staff for more than a year to present a public interest perspective on this.

Incentives – to produce and to conserve – remain the big issues in the area of generation. More than 9,400 MW of new capacity came on line in the last four years, but forecasters warn that without yet more investment in new plants, another power crunch is likely – and within two to six years. The weakened financial status of utilities and merchant generators remains a concern.

Electricity Transmission: Before deregulation, the major California transmission lines were owned and operated by the IOUs. They were responsible for reliability within their service territories, although their lines were (and still are) part of a coordinated 14-

LWV Los Angeles County

Ballot Measures
Speaker Training
and Advocacy
Workshops

Saturday, October 2, 2004
Registration/Coffee: 9:30 AM
Workshops: 10:00-12:00

Location: Hollenbeck House
573 South Boyle Avenue
Los Angeles, 90033

LWVLA Speaker Training will be on September 30th.
For information, please call Nima at (213) 368-1616.

Southern California Area

LWVC Membership Training Workshops

Topics:

**League 101: Introduction to League
Voter Service
Membership Growth and Diversity
Archiving Your Records**

Saturday, October 9, 2004

Registration/Coffee: 9:30 AM

Workshops: 10:00-3:00 PM

**Location: Center - Sisters of St. Joseph
480 South Batavia, Orange**

\$25.00 Lunch/Registration/Coffee, if payment received by October 2nd

\$30.00 Lunch/Registration/Coffee, if paid at the door

\$10.00 Registration Only/Brown Bag

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Send registration and checks payable to LWVC, to:
Joanne Leavitt, 2920 Kansas Avenue, Santa Monica, CA 90404

Name: _____

League: _____

No. of Persons: _____

Amount Enclosed: \$ _____

September 2004

**League of Women Voters
of Los Angeles County**

Margo Reeg, President
Chris Carson, Editor
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We're on the Web!!
<http://lacilo.ca.lwvnet.org>

Calendar

September 14—LWVLAC
Board Meeting, Claremont

September 22—Delivery of
Pros and Cons

September 30—LWVLA
City Ballot Briefing

October 2—LWVLAC Ballot
Briefing, Hollenbeck Home

October 6—WPC Meeting,
LA League Office

October 9—LWVC Training
Workshops, Orange

October 12—LWVLAC
Board Meeting

October 18—Last day to reg-
ister to vote!

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For information, contact carsonlww@earthlink.net