

RIPIRG

Standing Up
To Powerful Interests

Rhode Island Public Interest Research Group
Citizen Agenda: An Update For Members Of RIPIRG

Winter 2010 • Vol. 8, No. 2

Find links to resources and actions at www.ripirg.org/newsletters

Reforming Health Care

Small Businesses Say "Yes" To Reform

RIPIRG spent much of the summer and fall engaging an important constituency in the health care debate: small business owners.

In November, we worked in partnership with PIRGs across the country to send a cross-section of more than 100 small business owners to Washington, D.C., to meet with the administration and with lawmakers not yet committed to reform.

"It's hard for a politician to categorize health reform as anti-business when droves of small business owners are telling them that they need reform, that the status quo is untenable," said Larry McNeely, health care advocate for RIPIRG.

It's also hard to ignore the ways that our current health care system drives up costs, especially for small businesses. Our research found that small businesses pay an average of 18 percent more for insurance. Like individual consumers, small businesses lack the negotiating power to get a better deal. They can also experience enormous increases in premiums if just one employee gets ill.

These dysfunctions in the system mean many small businesses and their employees can't afford health insurance. The cost also discourages entrepreneurs from starting businesses—creating an economic problem, too.

Organizing In Key States

When Sen. Joe Lieberman pro-

claimed that he would filibuster a bill with a public insurance option, RIPIRG mobilized our members to urge the senator not to stand between the nation and reform.

One senator shouldn't prevent a majority from acting on this critical issue—especially when the policy he objects to would, according to our research, save \$320 billion over the next ten years. ■

Toxics & Public Health

U.S. Facilities Must Be Safer, 25 Years After Bhopal

One hundred and ten million Americans live in the shadow of a catastrophic release of poison gas. In December 1984, Bhopal, India, a city of half a million people, experienced such a catastrophe when a chemical gas spill from a pesticide factory created a dense cloud over the city: 20,000 people lost their lives. And it could happen in Rhode Island.

A November vote in the House of Representatives brought us closer to protecting the millions of Americans who live and work in the danger zones around chemical facilities.

RIPIRG Public Health Advocate Elizabeth Hitchcock applauded



SMALL BUSINESS OWNERS HAVE DAY IN D.C.—Led by our Washington, D.C., office director, Gary Kalman (bottom left), RIPIRG helped fly more than 100 small business owners to Capitol Hill to meet with lawmakers about the need for health care reform.

Member Resource

HEALTH CARE
You can keep up with our efforts on health care reform by following U.S. PIRG on Twitter at twitter.com/LarryPIRG

Product Safety

Not-So-Safe Toys Still On Store Shelves

RPIRG's 24th annual toy safety report revealed that, despite passing a law to overhaul the Consumer Product Safety Commission (CPSC), there's still "Trouble in Toyland."



STILL TROUBLE IN TOYLAND—At the release of our 24th annual toy safety report, Public Health Advocate Liz Hitchcock highlighted a new smart phone app that lets parents check for unsafe toys while they shop.

CPSC Commissioner Robert Adler joined RPIRG Public Health Advocate Liz Hitchcock at a Capitol Hill press conference, praising our long commitment to keeping America's kids safe.

This year, in addition to the report's findings on choking and noise hazards and toxic threats, RPIRG's national federation released an interactive smart phone application, also available online to help parents and consumers avoid these common hazards.

In addition to putting safety information at consumers' fingertips while they shop, the mobile site enables toy buyers to report a potentially dangerous toy so that we can investigate and follow up with the CPSC. ■

Ending Credit Card Abuses

New Credit Card Law, But Banks Resist

In May, President Obama signed the PIRG-backed Credit CARD Act, following years of our advocacy against unfair credit card

practices. However, while Congress gave the banks until next February to prepare for compliance with the law, there have been widespread complaints that banks have instead used that period to gouge consumers.

RPIRG pushed to accelerate the start date to Dec. 1. In November, the House passed legislation to do just that, but similar legislation stalled in the Senate.

Dec. 1 came and went, but RPIRG continues to oppose rules proposed by the Federal Reserve, which would allow banks to evade many parts of the new law once it is implemented, including provisions that prohibit retroactive rate increases and over-limit fees, and using free pizza to entice college students to sign up for cards. ■

Campaign Finance Reform

Contributions Linked To Crumbling Bridges

After 13 people died during the collapse of the I-35 bridge in Minneapolis in 2008, the state of disrepair of our country's transportation infrastructure became front page news.

If you're wondering why your tax dollars are being spent on new roads while existing transportation infrastructure is allowed to fall into a dangerous state of disrepair, a new RPIRG report suggests that the answer might be found in campaign finance disclosures.

Our report, "Greasing the Wheels,"

looked at the influence of campaign contributions from road builders, developers and others with an interest in the development of new roads. The findings suggest that spending is skewed toward road-widening and new highway projects, and that elected officials often overlook preventative maintenance projects, especially when new projects are encouraged by campaign contributions. ■

Tax & Budget Policy

Biggest Tax Dodgers Spend To Maintain Loopholes

Dell, Merck, General Mills, PepsiCo—these are just a few among the 100 corporations that received more than \$10 billion in government contracts in 2008. The same 100 contractors maintain hundreds of subsidiaries in tax haven countries to avoid paying billions in income taxes each year.

It's bad enough that some of the biggest recipients of government contracts are the same corporations that take advantage of loopholes. But according to our recent analysis, "Who Slows the Pace of Tax Reforms?" many of the same corporations have been spending big money to fight legislation that would close offshore tax dodging schemes.

Our analysis showed that the corporations that were awarded the 12 largest government contracts spent more than \$37 million on lobbyist expenditures and PAC donations in 2008. The same 12 maintained more than 440 subsidiaries in offshore tax havens. ■

Join The Toy Safety Net Online

To stay up-to-date on which toxic toys to avoid, visit us online at <http://toysafety.mobi> or www.toysafety.net.

A photograph of the Rhode Island State Capitol building, a large white neoclassical structure with a prominent dome and columns.

Be An Advocate For Rhode Island's Future With RPIRG's Planned Giving Program.

You can be remembered as someone who cared enough to leave a legacy of activism on behalf of Rhode Island's consumers and to ensure the future health of our state's democracy by making a bequest to RPIRG.

For information, call 1-800-841-7299, or e-mail plannedgiving@rpirg.org.

Privatization: Short-Term Gain, Long-Term Pain

An alarming number of new proposals in cash-strapped municipalities and states are turning over the control of public assets to private companies, such as the attempt to lease the New Jersey Turnpike. Assets include roads, water works, airports and even parking meters. While companies do pay for the right to lease public assets, our experience proves that in the long run, these deals are almost invariably stacked against the public.

Deals Disadvantage The Public

Nationwide, we're seeing the effects. Indiana and Chicago both recently signed multi-billion-dollar leases on major toll roads (for 75 and 99 years, respectively). As a result, drivers are already paying higher tolls on those roads and the state governments have less power to manage the operation of the roadways. Such problems may well persist for decades to come.

Chicago also privatized its parking garages and parking meters. In exchange, the private company that operates the garages and meters can write tickets, and if the company chooses to reduce parking spots or the hours when meters operate, the city must pay.

While the system has been met with a great deal of protest, Mayor Richard Daley is seeking to sell off Midway Airport, and reportedly the city's water system as well.

We Can Turn The Tide

Despite the downsides, the revenue that can be generated by privatization deals can be enticing for governments struggling to close a budget deficit.

Fighting the privatization trend is an uphill battle in Rhode Island, but we can look to states such as New Jersey for an example of how we can prevent these short-sighted deals from advancing. When New Jersey's former governor, Jon Corzine, proposed privatizing the

New Jersey Turnpike and other toll roads, our sister organization, NJPIRG, led a campaign to ensure that any deal uphold a half-dozen principles designed to safeguard the public. Thousands of New Jersey citizens signed petitions in support of the principles. Eventually, the governor reversed his position, deciding not to lease the toll roads.

And New Jersey isn't the only example—deals in Florida, Pennsylvania, Texas and Michigan have been blocked as well. PIRG advocates in those states handed out hundreds of factsheets to legislators and spoke at national conferences to make sure state legislators



Matthew McVicker

Case Study: The Chicago Skyway

PRIVATIZATION TAKING ITS TOLL

Rhode Island can look to examples from other states as our lawmakers consider privatizing public assets. An analysis of the Chicago Skyway privatization deal found that private investors would likely recoup their investments in less than 20 years—even though the private operators can charge tolls for 99 years.

don't hear only from lobbyists pushing privatization deals with few public protections. ■

To Our Members



"If it were easy, someone would have done it already" — I've heard the president utter this truism time and again in response to calls for speedier action.

I think it certainly applies when our agenda includes reforming the health care system, reining in Wall Street, and transforming our transportation and energy sectors. Still, I'm not content to wait it out.

When the health care debate seemed to veer completely off-course this summer, RIPIRG called attention to \$3 trillion in potential savings from reform, mobilized the small business community, and organized the doctors and hospitals that are already showing us what reform could help us achieve.

We're also leading a coalition effort to convince Congress to pass legislation that will ensure Wall Street won't be able to continue gambling with our financial security.

And, even while the recession has made it difficult to think about long-term investments, our staff have been building the case for a fundamental reordering of our priorities when it comes to spending on transportation (i.e., put tax dollars toward fixing crumbling roads and bridges, as well as public transportation—not new highway projects).

Because of the progress I've seen, and because of your support, I'm confident we can speed things up.

*Sincerely,
Andre Delattre, for RIPIRG
info@ripirg.org*

RIPIRG Citizen Agenda

This newsletter is published three times a year by the Rhode Island Public Interest Research Group. You can receive the newsletter through your e-mail. Just go to our Web site to sign up.

RIPIRG

9 South Angell St., 2nd Flr., Ste. A
 Providence, RI 02906
 (401) 421-6578

Address Service Requested

NON-PROFIT
 ORG
 U.S. POSTAGE
 PAID
 BROCKTON, MA
 PERMIT NO. 430

RIPIRG

Standing Up
 To Powerful Interests

CITIZEN AGENDA

VOLUME 8, NO. 2

INSIDE THIS ISSUE:

Small Businesses Say "Yes" To Reform • Privatization: Short-Term Gain, Long-Term Pain • Unsafe Toys



Reining In Wall Street

House OKs New Wall Street Rules

Just prior to the holiday recess, the House passed a comprehensive package of bills that would set new rules for Wall Street.

The legislation includes a RIPIRG-backed Consumer Financial Protection Agency (CFPA) with the power to prevent dangerous financial products—including certain types of sub-prime loans—from being put on the market.

RIPIRG's federal Consumer Program Director Ed Mierzwinski testified several times before Congress, advocating the CFPA as part of comprehensive financial reform. During a hearing last year at the beginning of our push, Mierzwinski told the House Financial Services Committee that a CFPA "focused on credit and payment products ... targets the most significant underlying causes of the massive regulatory failures that occurred."

To make the CFPA a reality, Mierzwinski and RIPIRG's Washington, D.C., Office Director Gary Kalman are among the leaders of a 200-organization-strong coalition that is also



PERSISTENT ADVOCATE—RIPIRG's federal Consumer Program Director Ed Mierzwinski has testified before Congress five times in favor of new rules for Wall Street.

fighting for transparency in the \$500 trillion currently traded on so-called "shadow markets" and new rules to ensure that no bank or investment firm is allowed to gamble with taxpayer money.

A companion bill has been introduced in the Senate and we expect final votes in the spring of 2010. ■

RIPIRG's Mission

When consumers are cheated or the voices of ordinary citizens are drowned out by special interest lobbyists, RIPIRG speaks up and takes action. We uncover threats to public health and well-being and fight to end them, using the time-tested tools of investigative research, media exposés, grassroots organizing, advocacy and litigation. RIPIRG's mission is to deliver persistent, result-oriented public interest activism that protects consumers, encourages a fair, sustainable economy, and fosters responsive, democratic government.

Citizen Agenda Credits

Editor: Andre Delattre

Contributors: Justin Boyles, Matthew Curtis, Shaun Gillen, Sara Landis, Ethan Lavine, Jesse Littlewood, Annie Mackin, Jordan McLaughlin, Ryan Moeckly, Leana Nordstrom, Megan Parks, Nathan Proctor, Sam Rothberg, Jenne Turner.

Publications Director: Richard J. Hannigan.

Design: Public Interest GRFX (215) 985-1113. Printed on recycled paper.