



Of Special Interest

Can AP&T compete in local telephone service?

Contents

Oak to Ninth	2
Cruising into Alameda	3
Questions for the Mayor	4

Editor's Note - Kate Tanaka's article should be of interest to Alameda residents as the Oak to Ninth project just across the estuary will have particular impact on the downtown Oakland I-880 corridor, impacting traffic on and off the island through the tube and the park street bridge.

A Whopping Phone Bill

By Len Grzanka

Don't you wish you had \$65 million to play with? That's how our Public Utilities Board and Alameda Power & Telecom's management act with the utility's net assets. They're like a teenager who just got a credit card with an unlimited line of credit.

Granted, the Bureau of Electricity, as AP&T was called before the telecom fiasco, did well selling electricity. After all, it's a monopoly. If you don't pay, they turn off the juice. But when the Naval Air Station closed, they lost a third of their sales. BART bailed AP&T out by taking over its long-term contract liabilities for the excess power. But what to do with the bloated workforce hanging in there until they qualify for their lucrative retirement benefits? Well, they looked around for another line of business and came up with cable TV and Internet services.

With a lot of phony numbers--

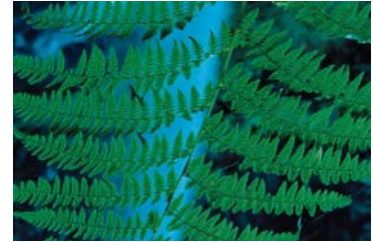
a business plan that projected expenses of \$8 million until the operation turned a profit--they fooled the voters into narrowly approving the plan. Over the next eight years, they racked up \$77 million in debt on cable TV. The bills are coming due. Here are the interest and principle payments due on June 30 of the next three years: 2007, \$6.3 million; 2008, \$6.3 million, and 2008, a whopping \$45 million. If they pull the plug on cable and write off the loans from electric operations to cable, the utility's net assets are gone.

They had only one competitor in cable TV, Viacom which later became Comcast. I love hearing PUB and AP&T officials whine that one reason for the massive losses is that Comcast kept its rates low, as though that is somehow unfair. Low cable TV and Internet rates don't help poor Alamedans who are struggling to pay their electricity bills, which have

been going up. Do you wonder why?

Like any other group that simply does not have a clue, the PUB and AP&T hired a consultant. For \$25,000, the consultant recommended reducing pay, which is impossible for heavily unionized AP&T. Reduce marketing expenses, which is a no-brainer if you look at their financial reports. (At a PUB meeting in early 2006, Bill Garvine, AP&T marketing manager, mentioned a few strategies to reduce expenses, and amazingly, two board members urged him to increase spending instead!) Raise rates, the consultant said, but this will cause customers to leave. Or, find another lucrative line of business. Half of the consultant's report was a sales pitch to hire him (for another \$25,000) to implement telephone switching services.

(cont'd on page 2)





A Whopping Phone Bill, cont'd...

Now, the clueless PUB wants to hire the consultant to implement telephone switching. If they couldn't turn a profit with only one competitor in cable TV, how are they going to compete against AT&T, cell phone companies, voice-over-Internet providers, and all

the other new programs and technologies that are fighting for your phone business? How many phone calls do they have to handle and how many subscribers do they need at what rates to recover the consultant's fees and capital investment required to enter this new

line of business? But the most important question is, given the track record of the PUB and AP&T, would you risk subscribing to their phone service? And what happens if playing this game fails? It's time to take the credit card away from the adolescents.

Oak to Ninth in Oakland

By Kate Tanaka

Forty-five years ago, as a fifth-grader at Pennsylvania Avenue Elementary in Canton, N.C., I had my first memorable taste of true love for an ideal.

Our teacher, Mrs. Saunders, handed out fragrant mimeographs of the First Amendment. As I read for the first time, "Congress shall make no law ... abridging the right of the people . . . to petition the Government for a redress of grievances," I felt the personal protection that the Bill of Rights intends. I was deeply moved.

Canton, N.C., was a mill town tucked into the Blue Ridge Mountains. There were no demonstrations there. There was not even a union. It was a homogeneous small town of reasonably prosperous people who seemed to have little to

grieve or redress. Of course, I grew up and my world enlarged and I found out that there is much in this world to redress.

I have also learned that it is not so easy to exercise one's constitutional rights of redress.

I am currently involved in just such an effort -- one that almost mocks my rosy childhood understanding of the First Amendment. Last summer, I joined a group of Oaklanders who set out to mount a petition against an ordinance approving the sale of 64 acres of publicly owned waterfront property known as the Oak to Ninth. We managed, with great effort, to collect the necessary signatures to require that the issue be put to a vote of the citizens.

We handed in the petitions and awaited the official counting of the signatures but were shortly informed that the city attorney, John Russo, had disqualified the petitions.

Needless to say, I was stunned that the city attorney had the power, with little more than the wave of his imperial hand, to simply "disqualify" our earnest and considerable efforts. Contrary to Russo's claim, our petitions included every word that the City Council had had before them the night they voted to approve the sale of the property. Our only recourse was to sue the city.

Now, months later, thousands of our dollars have been spent and we are facing thousands more in legal costs JUST TO HAVE THE SIGNATURES COUNTED. The whole story is long on irony if short on justice. The ordinary citizens who worked on the referendum are being subjected to hilarious levels of scrutiny (subpoenaed for hours of costly depositions) .

Ironic, too, that the city attorney has explained that he represents the City Council, which has approved the development, rather than the citizens of Oakland. Would anyone join me in wondering who the City Council represents if not the citizens of Oakland? Does the First Amendment apply to Oakland? I can answer from my sad experience: only if there is money to fight in court. Another cynical reminder that justice has a hefty price tag. In Oakland, we have neither laws, nor elected representatives, nor mayor, nor city attorney interested in protecting the right of the people to petition the government for a redress of grievances.

By David Howard

Alternatives to building nothing but high-density housing and retail at Alameda Point abound, including commercial development to bring jobs and tourist dollars to the island, such as Alameda resident Eugenie Young's idea to create a cruise ship terminal at the deepwater port. Young has been promoting the idea among citizens and city council, and is modeling her proposal after The Peninsula at Bayonne Harbor, in Bayonne, New Jersey, which was the site for the former Military Ocean Terminal.

The Bayonne Military Ocean Terminal, like Naval Air Station Alameda, was slated for closure as part of the 1995 Military Base Realignment and Closure actions. The Bayonne Local Redevelopment Authority embarked on a plan to transform the 430 acre tract and include a new cruise ship port. The Cape Liberty Cruise Port now claims annual passenger volume of over 300,000 per year and ranks third among east coast cruise ports behind Miami and New York. In 2006, Royal Caribbean signed a 35-year agreement with the Bayonne authority valued at over \$140 million.

Alameda businesses that could stand to benefit from the cruise ship traffic are

enthusiastic about the proposal. Michael Kohne, the Marketing Director for Rosenblum Cellars and an Alameda resident noted that while the thought of 2000 cruise ship passengers arriving at the tasting room is daunting, the more people that come through, the better for their business, and "a cruise ship terminal would spur some commercial development, wine and spirits related or not." Eugenie Young notes that a terminal at Alameda Point would most likely be an embarkation point, not a port of call, and visits to nearby wineries would likely be made by passengers pre or post cruise.

Lance Winters, the Vice President of St. George Spirits noted that the China Clipper, a flying boat run by Pan American Airways in the nineteen-thirties for a California-to-Asia route, advertised as disembarking from San Francisco but actually flew from Alameda Point. In his former Navy days, Winters was stationed on the USS Enterprise when it called Naval Air Station Alameda its home port. He thought that a cruise ship terminal "would draw people through this area" and "would help to get momentum to get other commercial enterprises at the point." He also noted that while City of Alameda

Development Services staff were supportive of his efforts to establish St. George Spirits at Alameda Point, he would still like to see the city work harder to bring more independent businesses - which create character and add flavor to the community - not just into Alameda Point, but all through Alameda. "The big-box stores," Winters said, "have a much easier time presenting a case to the city how they will generate tax revenues." But it is much harder for a private individual launching a business to do the same, which puts independent businesses at a disadvantage.

Eugenie Young, meanwhile, is not standing still. She presented her proposal to Alameda city council on the heels of a well publicized visit to the Port of San Francisco by the Queen Mary 2, and noted that the Alameda Point terminal would have provided an additional 12' of clearance for the ship over the San Francisco terminal. Additionally, she's been telephoning New Jersey to speak with cruise port officials to understand how they recruited cruise lines, such as Royal Caribbean, to Bayonne. Royal Caribbean moved its ships from the New York City piers to Cape Liberty in May of 2004, seeking a more passenger friendly port,

a port with parking facilities and easy access from airports and public transportation. Some of the people in New Jersey she's spoken with are familiar with the San Francisco Bay and can readily see the resemblance between Bayonne and Alameda Point. Young has also turned over all of the information she has collected to City of Alameda Development Services Director Leslie Little, who has been tasked by the City Manager to prepare a report.

Is housing the best way to take advantage of the land at Alameda Point? How can we best exploit the existing deepwater port? Can commercial enterprise at Alameda Point provide higher paying jobs than retail?

Questions for the Mayor

By David Howard

Mayor Johnson,

In light of the current activity surrounding Measure A, I wonder if you would be willing to respond to the following questions for the Action Alameda newsletter for April. Please understand that I plan to publish these questions in the April edition with or without your response.

Question: Mayor Johnson, you successfully campaigned last November with the slogan "Protect Measure A" - how do you feel now that a small handful of Measure A critics are successfully prodding city staff and the Planning Board to have public discussions on Measure A? While an offer by Measure A supporters to have Alameda historian Woody Minor brief the Planning Board has long been ignored?

Question: Several Planning Board members have openly questioned Measure A, subtly implied they want to repeal it, or voiced their discomfort with it in various statements during Planning Board meetings over the past several months. In light of your successful Mayoral campaign last November, on the basis of protecting Measure A, do you think it's

time to appoint new planning board members?

Question: A 2005 study on families with school children in San Francisco by the Public Research Institute of San Francisco State University revealed a positive correlation in Bay area cities between single-family homes and school age children. If Measure A critics want to build multi-family housing over single family homes, making Alameda an unappealing place for families with school-age children, wouldn't that compound the problems currently faced by the Alameda Unified School District?

Question: Measure A critics try to justify multi-family housing by touting mass transit plans. But over and over again we hear reports from the California League of Cities and from our neighbors in Berkeley that mass transit use is only 30% to 36%. If we build multi-family housing not compliant with Measure A, won't that still bring more automobiles to the island, even with 30 to 30% mass transit use? How can you force people not to own or use automobiles?

Question: One reason for mass transit is to reduce greenhouse gas emissions.

Public transit typically garners less than 25% of revenues from the fare box - witness AC Transit and SF Muni. The rest is government subsidy.

Advocates for low-income earners frequently lobby to keep transit fares low, meaning that higher-income earners who could pay more at the fare box don't have to, compounding the subsidy problem. Instead of building high-density multi-family housing in Alameda, and building out heavily subsidized mass transit, against the wishes of many current residents, wouldn't it make more sense to build Measure A compliant low-density housing and find a way to subsidize the purchase of low-emission automobiles instead? Low-emission vehicles like the Prius and Civic Hybrid are relatively new solutions to the emission problem, compared with the decades old solution of mass-transit.

Question: A 2005 study by the well-respected Brookings Institution suggests that 'having a car is a worthwhile investment in better outcomes for low-income families.' because low-income families often turn down jobs that they can't get to by public transit. With 25% of new homes in Alameda designated as affordable housing for low-income families, does it make



Reports show that single-family homes tend to bring families with school-age children, while multi-family homes do not.

sense to expect all these people to always take public transit? Couldn't we find ways to subsidize these low-income earners to operate a low-emission automobile, and enjoy a single-family home instead of high-density apartments or condos?

Question: Mayor Johnson, what if anything, have you done to secure state or regional funding for building another tube or bridge access point to Alameda?

Responses: *At press time, Mayor Johnson had neither acknowledged these questions nor provided a response despite having had two weeks to review.*

Action Alameda
909 Marina Village Parkway
PMB #342
Alameda, CA 94501

E-mail
membership@actionalameda.org

*A grassroots voice in the
community.*

Internet Links

Brookings Institute Report on Cars and Low-Income Families

<http://www.brookings.edu/es/research/projects/wrb/publications/pb/pb35.pdf>

San Francisco Report on Families with School Children

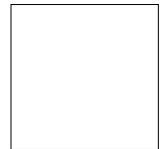
http://www.dcyf.org/downloads/Final%20White%20Paper10_21_05.pdf

About Our Organization

Our Vision: Alameda as a community where our unique quality of life is based on solid principles of civil society, financial and environmental sustainability, social justice, respect for our

heritage and vision for our future. Where citizens are well informed and demand the right to democracy and self-determination.

COMPANY NAME
STREET ADDRESS
ADDRESS 2
CITY, ST ZIP CODE



CUSTOMER NAME
STREET ADDRESS
ADDRESS 2
CITY, ST ZIP CODE

We're on the Web!
See us at:
www.actionalameda.org
