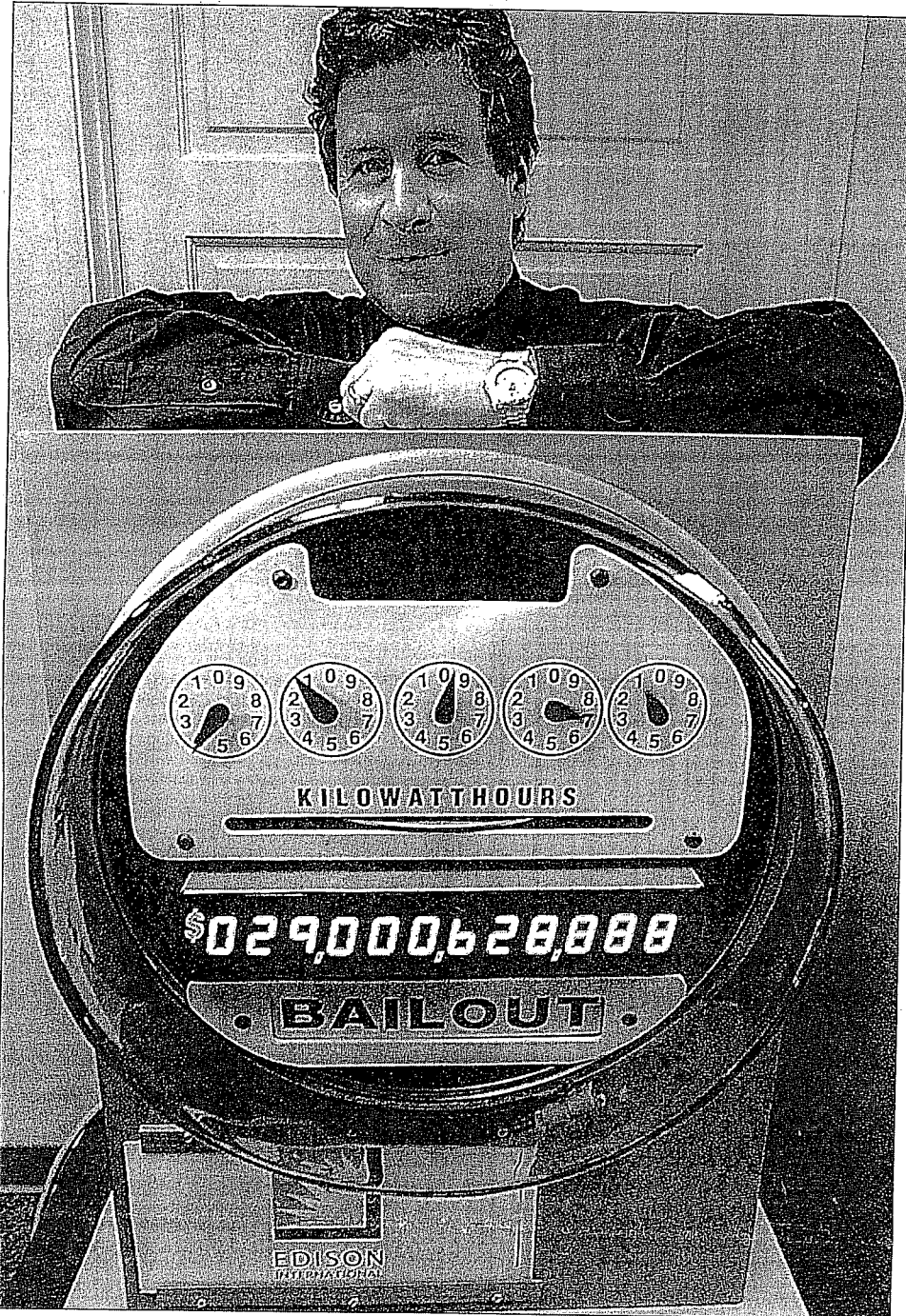


# California and the West

*'I can tell you that, right now,  
"deregulation" has become a  
dirty word.'*



LUIS SINCO / Los Angeles Times

Harvey Rosenfield likens Edison's call for a rate hike to a child who kills his parents and calls himself an orphan.

# A Bittersweet Outcome

■ Harvey Rosenfield, who warned against electricity deregulation, says he has been proved right but regrets that it has come at such a cost to the public. Still he sees hope for more consumerist policies.

By PETER Y. HONG  
TIMES STAFF WRITER

As power outages and higher utility bills loom in California, Harvey Rosenfield—the man who unsuccessfully fought electricity deregulation four years ago—doesn't say, "I told you so."

He says a lot more.

"All the people who were on the

wrong side are being punished," Rosenfield said. "They're being exposed. Events have proved us right. It's just too bad it has come at this price."

Now, the consumer advocate and sound-bite master whose views were rejected by the Legislature in 1996 and by voters in 1998 may turn out to be as much a wise man as a wise guy.

Rosenfield is a fixture on television news reports, proclaiming that the peo-

## POWER PLAYERS

*Key figures in California's energy crisis*

ple shouldn't pay for mistakes made by power brokers. Sacramento lawmakers fear his threat of a 2002 ballot initiative to re-regulate the electrical power industry enough to consider making major changes on their own.

The new energy crisis, Rosenfield says, could prompt a wave of consumer-protection policies after decades of free-market fever. "I can tell you that, right now, 'deregulation' has become a dirty word," he said.

For Rosenfield and the Foundation for Taxpayer and Consumer Rights, the Santa Monica nonprofit group he heads, that could mean a return to winning seasons in the Legislature and ballot initiative campaigns.

These have been rebuilding years for the 12-person, 15-year-old foundation tucked into a second-story office. The group's biggest win remains Proposition 103, a successful 1988 initiative created by Rosenfield that resulted in lower insurance rates and established an elected insurance commissioner.

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## ACTIVIST: 'Take No Prisoners' Tactics

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More recent efforts by the group have lost badly. Proposition 216, a 1996 initiative that would have created additional regulations and taxes for health maintenance organizations, failed, garnering just 39% of the vote.

Proposition 9, a 1998 measure to cut utility rates and end nuclear power subsidies, lost by about a 3-1 ratio. Utility interests spent about \$40 million to defeat the measure, far more than initiative supporters could muster.

With little money to wage publicity campaigns, Rosenfield has learned to become a master of the made-for-TV one-liner. He can turn the gray people and issues of a topic such as utility regulation into saints and sinners in a black-and-white fight between good and evil.

He likens, for example, Edison Chief Executive John Bryson—who backed deregulation but now wants a rate increase—to "a child who kills his parents and calls himself an orphan."

For Rosenfield, the electricity crisis has been something of an equalizer, spurring enough public resentment of industry to balance the power stemming from its deep pockets.

And despite recent defeats, he has not lost faith in the initiative process as a way to tap that public outrage. He cites as an example the recent acknowledgment by state Senate

leader John Burton (D-San Francisco) that the prospect of another Rosenfield ballot initiative has prompted the Legislature to consider converting the state's electricity industry to a public power system.

A contented smile spreads across Rosenfield's youthful face as he discusses the prospect of legislators responding to an initiative threat.

Rosenfield, 48, savors conflict. He has since his high school days, when he published an underground newspaper, the *Informer*, in his hometown of Randolph, Mass.

The son of an accountant and a painter, Rosenfield studied psychology at Amherst College before getting law and international relations degrees at Georgetown University. It was at Georgetown, in Washington, D.C., that Rosenfield first worked with his mentor, Ralph Nader.

After six years of working with Nader-founded organizations, including the California Public Interest Research Group, Rosenfield founded his Santa Monica-based foundation in 1985.

His career path has some parallels to that of his current nemesis, Edison International chief Bryson. Bryson is also a lawyer and was a founder of the Natural Resources Defense Council before becoming Edison's chief.

Rosenfield draws a sharp distinction between himself and Bryson, who declined through a spokesman to respond.

"It's a free country, and people can choose to make money. But it's pitiful when someone claims to work for the public interest, then goes over to the dark side," Rosenfield said.

His scorn for corporate jobs and those who hold them, however, does not include a personal vow of poverty. Although he once kept a shabby office and wore Salvation Army clothing, claiming that they were metaphors for his grass-roots bent, Rosenfield now earns \$200,000 a year from his position with the foundation and another nonprofit organization he runs from a home office, the Consumer Education Foundation.

He makes no apologies for his high pay—10 times what he earned in 1988—just as he apologizes for little else in his public life.

Rosenfield does not embrace bridge-building, consensus-seeking or other centrist attributes touted by politicians these days. This distinguishes him from other consumer activists, said Harry Snyder of Consumers Union.

Other consumer group leaders "think they won't . . . have access" if they are combative with politicians, Snyder said. "Harvey has more of a 50-year view. He thinks if he doesn't call it as he sees it, he loses credibility."

To Rosenfield, "compromise" and "politician" are bad words. "That," he said, "is what got us into this mess."