

MONDAY
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Power player

Crisis puts consumer advocate back in spotlight

By John Wilkens
STAFF WRITER

Doors are opening wider now for consumer advocate Harvey Rosenfield. That happens when time and circumstances turn you into a prophet.

In 1997, soon after energy was deregulated in California, Rosenfield and his Santa Monica-based Foundation for Taxpayer and Consumer Rights started making noise.

This is a bad idea, they said. It's corporate welfare. It leaves the public vulnerable to rip-offs and price manipulations.

"Deregulation is allowing utilities to stick their hands so deep into our pockets it will take 10 years to get them out," Rosenfield said.

Unable to convince legislators to reform the law, Rosenfield launched a ballot initiative. This was not a new thing for him; in 1988 he had authored Proposition 103, a hotly contested, successful measure to curb insurance rates.

Proposition 9, which appeared on the November 1998 ballot, would have altered parts of energy deregulation and ended what proponents said was a taxpayer-funded bailout of bad utility investments.

It was opposed fiercely and financially by energy interests, and it got blasted at the polls, losing roughly 3-1.

The loss followed the overwhelming defeat of another foundation-sponsored measure, Proposition 216 in 1996, aimed at health maintenance organizations. To some, Rosenfield was tilting at windmills. They dismissed him as an ineffective gadfly.

And then the energy crisis happened.

Now Rosenfield is in high demand. Journalists from news agencies as far away as Japan and Canada call him, seeking comment. He flies to Sacramento to tell legislators what should be done. His days are a whirlwind of press conferences and phone calls and strategy sessions.

He said he takes no joy in being right, "because a lot of people are suffering as a result of this mess." But an opportunity is an opportunity.

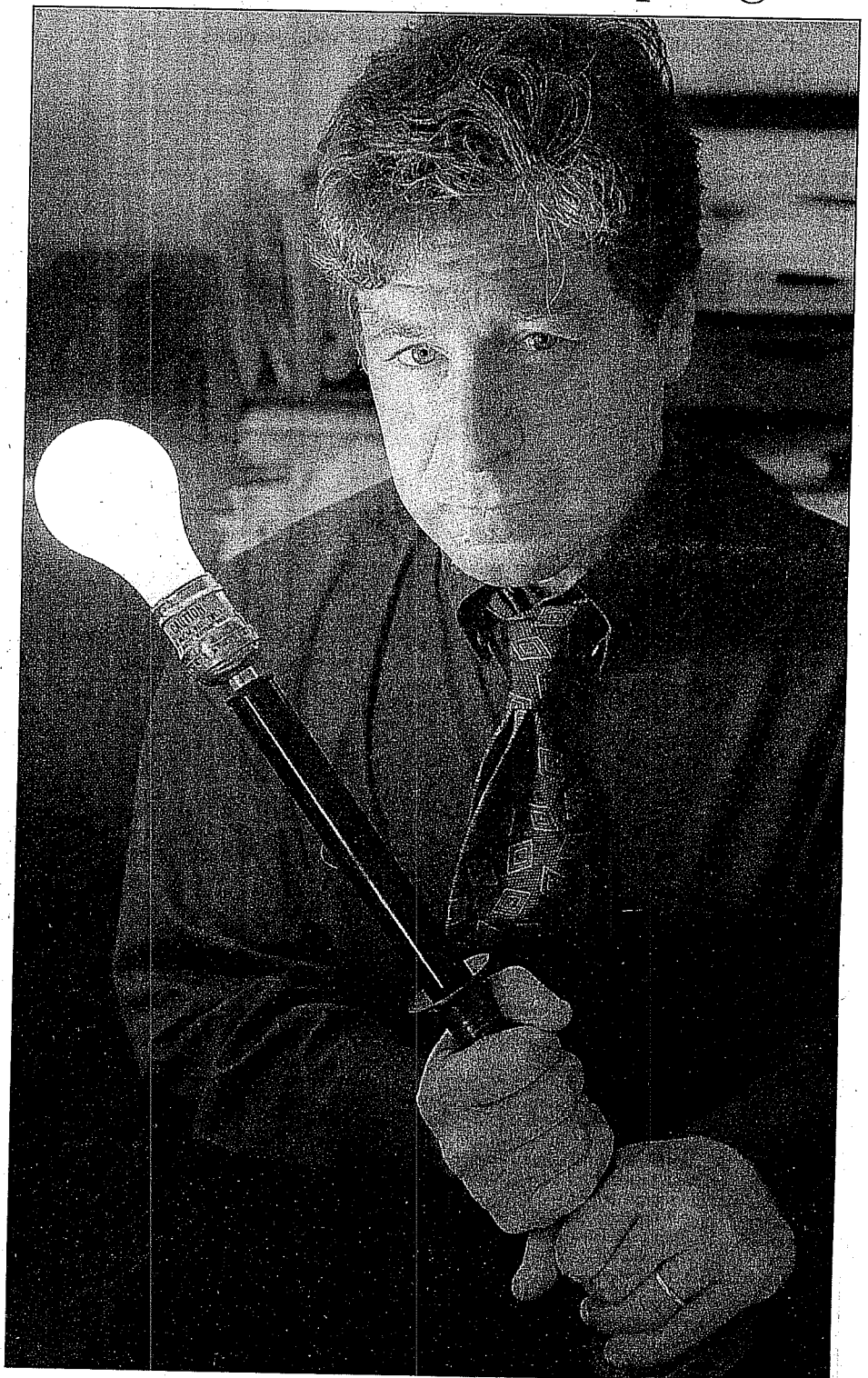
"We have a track record on this issue," he said, "and people are finally listening to us."

And if they stop listening, he said, he'll go back to the ballot with a measure to re-regulate the industry, move it toward some kind of public ownership.

"I think it will pass in a heartbeat," he said.

Those who are listening hear this from Rosenfield:

"The energy and utility compa-



SEE Power, E10

Harvey Rosenfield said most consumers don't have time to understand the energy crisis. "Ultimately they have to decide: Who are they going to trust, in terms of what should be done?" *John Nelson*

POWER
CONTINUED FROM E1
Consumer advocate fought against deregulation

nies sponsored deregulation and have now used it to bring California to its knees. Paying the energy companies a ransom in hard-earned taxpayer dollars to keep the lights on isn't going to solve the problem. It's just putting money in the hands of crooks. Once you start paying blackmail money, it's never going to stop."

And this:
"I'm not sure we wouldn't be better off sitting in the dark than getting screwed in broad daylight."

About a week ago, he suggested that the state might need to seize power plants through eminent domain to make sure there is an adequate supply of electricity.

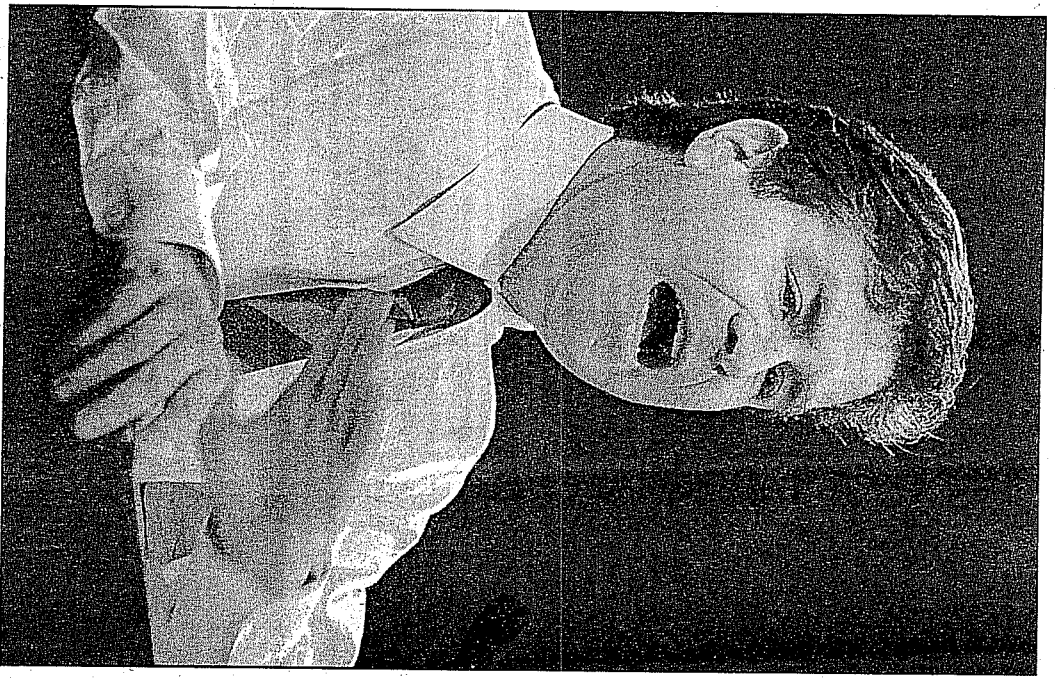
Use the National Guard, he said. Flamboyant stuff, to be sure, but Rosenfield said he's not just a sound bite machine. He said a lot of research goes into an issue before he opens his mouth. "Our opponents are in the business of obfuscation and confusing people. Our job is to say, 'Here's the truth. Here's what's happening to you.'"

Not that he's above a well-planned publicity stunt now and then. During the campaign for Prop. 103, the insurance-rate measure, he tried to have a load of cow manure dumped at State Farm's offices in L.A.

Last year, when Gov. Gray Davis showed resistance to reforming HMOs, the foundation printed up thousands of cards depicting a milk carton with Davis' picture on it, under the word "mussing." The cards were distributed at an auditorium where the governor was preparing to speak. "Classic Harvey," said Jamie Court, the executive director of the Foundation.

Rosenfield acknowledges he has plenty of critics, people who don't like his take-no-prisoners approach to public discourse. Just try to contact several of them now dealing with him on the energy crisis. Their secretaries take messages, ask what the story is about and chuckle. Nobody calls back.

Rosenfield, 48, was born in Massachusetts, the son of a man who was an



Traveling to Sacramento in late November, Harvey Rosenfield told legislators and the press that he is prepared to push a ballot initiative that will re-regulate California's power industry. *Rich Pado-Szwedski / Associated Press*

accountant and a woman who was an artist. His parents recently sent him evidence of early consumer activism.

It's a letter, written in 1959 in a child's scrawl with a child's misspellings. The corrected version reads, "My name is Harvey J. Rosenfield. My machine broke from the 5 and 10. It was stuck. My father fiddled around with it. He cut himself. It is noisy. It is shaky. It is broken. Please fix it. Thank you."

In high school, he thought he'd be a journalist. He also volunteered for

summer-advocacy giant Ralph Nader. He found his calling, and his mentor. After graduation, he worked with Congress Watch for a couple of years, then moved to California when Nader asked him to set up public-interest lobbying groups. That eventually led to the nonprofit Foundation for Taxpayer and Consumer Rights, established in 1985.

One of his earliest fights was to campaign against Proposition 51, sponsored by insurance interests to limit damage claims in lawsuits. The measure passed, but Rosenfield got a reputation for tenacity.

Three years later, in the battle over Prop. 103, his profile rose. He came across as a David in the fight against Goliah, proudly wearing his \$2 thrift-store shirt and his \$1 red necktie while the insurance industry spent \$80 million in a futile bid to derail the initiative.

At the time, he told reporters, he was making \$20,000 a year, up from the \$9,000 annually he received when he first started working for Nader. Poverty wages were part of the badge of honor for consumer warriors back then.

No longer. Rosenfield makes six figures now.

"What we've tried to do is make this a place where people can live, have kids, grow old," Rosenfield said. "A lot of public interest groups don't do that, and as their employees get older, they have to make a choice: Do they want to do good, or do they want to do well? I want to make this a place where they can do well and do good."

Funding comes from other foundations, dues and public donations. According to Rosenfield, it's a constant struggle. Fund-raising, he said, is the part of the job he hates most. "I'm not a schmoozer," he said. "I'm an issues guy."

The issues on the foundation's plate include containing work on insurance issues, HMOs, and the Oals Project, which trains volunteers to put local ballot initiatives together. The foundation, which has 11 staff members, also publishes a newsletter and has a Web site (<http://www.consumerwatch-dog.org>).

"We can go a long, long time and not get the kind of attention we're getting now with this energy thing," he said. "We do a lot of other work. But when something like this happens, it's an opportunity, and you have to take advantage of it."

at 4:30 a.m. with a regular run near the Venice home he shares with his wife and their two children. Rosenfield taped a cable TV show on the energy crisis. He blasted the governor. Likened the utilities to OPEC, urged citizens to place outraged calls to their legislators.

As he was leaving, his makeup kept on for a press conference scheduled the next hour. Rosenfield said goodbye to a studio employee. "Harvey, I want to vote for you," she said. He smiled.

Although he toyed with the idea of running for state insurance commissioner in 1998, Rosenfield said he has no political aspirations beyond his advocacy work.

"I really don't have any desire to be an elected official, because I don't like to compromise, and in politics, that's the mode of operation," he said. "In some ways, I don't think we as consumer advocates have any right to compromise. I'd rather go down fighting than ever do something that would sell people out."

He thinks he has "the greatest job in the world, because we can say exactly what we believe. We can tell the complete truth, and we're not afraid of anybody. And that is the most empowering job. Imagine if everybody could do that."

There are times he gets discouraged. Once, during the Proposition 9 campaign two years ago, he was handing out fliers at a fair in Fresno. A woman took one, read it, and said to Rosenfield, "But Harvey, the TV told me to vote no."

He said, "You know, when people aren't willing to think for themselves, you begin to wonder whether it's worth it."

But he feels he is making a difference. "If I didn't, I wouldn't keep doing it," he said.

It will be some time before he knows whether he is having any impact on the energy situation, Rosenfield said. The foundation is pushing for an end to what it calls "blackout blackmail." It wants conditions attached to the use of taxpayer money, and greater accountability from the utilities and power generators.

And if all that fails, he said, there's always a ballot measure, maybe for 2002. "The people in Sacramento know they are very vulnerable on this politically," he said. "So they are afraid. They know we've done it before. We can do it again."