

# MoPIRG

Standing Up  
To Powerful Interests

Missouri Public Interest Research Group  
Citizen Advocate: A Report For Members Of MoPIRG

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Find links to resources and actions at [www.mopirg.org/newsletters](http://www.mopirg.org/newsletters)

## Reforming Health Care

# Small Businesses Say "Yes" To Reform

MoPIRG 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 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 care reform as anti-business when droves of small business owners are telling them that they need reform, that the status quo is untenable," said Andrew Bailey, MoPIRG program associate.

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.

### Outside of Missouri

When Sen. Joe Lieberman proclaimed that he would filibuster a bill with a public option, ConnPIRG urged 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 could save \$320 billion over the next 10 years. ■



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

## Public Health

# U.S. Facilities Will Be Safer 25 Years After Bhopal

More than 100 million Americans live in the shadow of a catastrophic release of poisonous gas. In December 1984, Bhopal, India—a city of half a million—experienced such a catastrophe when a chemical gas spill from a pesticide factory created a dense cloud over the city, killing 20,000 people. And it could happen in Missouri.

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

MoPIRG Public Health Advocate Elizabeth Hitchcock applauded the

passage of The Chemical and Water Security Act. "We should not tolerate unnecessary risk to millions of Americans when we know that we can do better," she said. "And we should not tolerate further delay in passing this already long-overdue protection for America's communities."

A Senate version of the House bill should be introduced within weeks of the Dec. 3 anniversary of Bhopal. Hitchcock has been working with staff from Sen. Frank Lautenberg (N.J.) and Sen. Joe Lieberman's (Conn.) offices to keep the momentum going all the way to the president's desk. ■

### MoPIRG Citizen Advocate

This newsletter is published three times a year by the Missouri Public Interest Research Group. You can receive the newsletter through your e-mail. Just go to our Web site, [www.mopirg.org](http://www.mopirg.org), to sign up.

## News Briefs

### Toy Safety

## Not So Safe Toys On Store Shelves

MoPIRG'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."

CPSC Commissioner Robert Adler joined MoPIRG Public Health Advocate Liz Hitchcock at a Capitol Hill press conference, praising



**STILL TROUBLE IN TOYLAND**—Advocate Liz Hitchcock releasing a report on unsafe toys being sold in stores.

MoPIRG for its 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, MoPIRG'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. ■

### Bank Reform

## 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.

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

In addition, MoPIRG continues to oppose rules proposed by the Federal Reserve. These 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

## Contributions May Lead To Crumbling Bridges

After 13 people died during the collapse of the I-35 bridge in Minneapolis in 2008, the alarming state of disrepair of our country's transportation infrastructure became front page news. Just months later, Congress passed a transportation appropriations bill that earmarked spending on more than 700 highway projects—but only 74 for maintenance or repair to bridges, tunnels or overpasses, the rest going to road-widening and new highway construction.

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 MoPIRG 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 that cost the rest of us more than \$100 billion each year in lost tax revenue. 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 <http://www.toysafety.net>



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## Be An Advocate For Missouri's Future With MoPIRG's Planned Giving Program.

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

For information, call: 1-800-841-7299, or e-mail [plannedgiving@mopirg.org](mailto:plannedgiving@mopirg.org).

# Local Governments Rush To Privatize

An alarming number of new proposals in cash-strapped municipalities and states are turning over the control of public assets, including roads, water works, airports and even parking meters, to private companies.

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

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 the city must pay if it chooses to reduce parking spots or the hours when meters operate.

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.

Our experience has proven that, though it may be an uphill battle, we can help to stop these short-sighted deals from advancing.

When New Jersey's former governor, Jon Corzine, proposed privatizing the New Jersey Turnpike and other toll roads, 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 our petition in support of the principles. Eventually, the governor reversed his position, deciding not to lease the toll roads.

Since then, we've worked to prevent bad deals in Florida, Pennsylvania, Texas and Michigan.

PIRG advocates have handed out hundreds of factsheets to legislators and spoken at national conferences to make sure state legislators don't hear only from lobbyists pushing privatization deals with few public protections.



## Case Study: The Chicago Skyway

### PRIVATIZATION TAKING ITS TOLL

Missouri 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.



And in Chicago, Illinois PIRG released a report outlining the terms for any good deal for future privatization of public assets. The city alderman sponsoring an ordinance that would require any potential deal to meet our high standards joined Illinois PIRG for the release. ■

## To Our Members



Dear MoPIRG member,

*If it were easy, someone would have done it already—I've heard the president utter this truism time and again.*

*It certainly applies when our agenda includes reforming the health care system, reining in Wall Street, and transforming our transportation and energy sectors.*

*When the health care debate seemed to veer completely off course this summer, MoPIRG 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 longterm 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 achieve significant reforms.*

Sincerely,

Steve Blackledge  
MoPIRG  
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## MoPIRG Citizen Agenda

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

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CITIZEN ADVOCATE

VOLUME 10, NO. 2

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## Reining In Wall Street

# House OKs New Wall Street Rules

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

The legislation includes an MoPIRG-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.

MoPIRG'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."



**PERSISTENT ADVOCATE** — MoPIRG's Federal Consumer Program Director Ed Mierzwinski has testified five times in favor of new rules for Wall Street.

To make the CFPA a reality, Mierzwinski and MoPIRG's D.C. Office Director Gary Kalman are among the leaders of a coalition of 200 organizations that is also fighting for transparency in the \$500 trillion currently traded on so-called "shadow markets" and for 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. ■

### MoPIRG's Mission

When consumers are cheated or the voices of ordinary citizens are drowned out by special interest lobbyists, MoPIRG 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. MoPIRG'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 Advocate Credits

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