



Activist Info

RICHMOND PROGRESSIVE ALLIANCE

The RPA is hosting a community meeting on the Utility Users Tax

Making a Better, Fairer Richmond:
Together We Can End Chevron's Perk

There will be a fall ballot measure to force Chevron to pay the same rate as everyone else in Richmond. All users of utilities in Richmond currently pay a tax that is 10% of the electricity and gas they use, with one exception: large users are allowed to instead pay a maximum tax of \$14 million. Chevron benefits from this perk, because \$14 million is much less than 10% of its utility use. This measure will eliminate that perk and require Chevron to pay 10% for all of the electricity and gas it uses, just like everyone else. See next page for more details.

**Wednesday, January 13,
7PM
402 Harbor Way
(across from Kaiser Hospital)**

Jeff Ritterman and others will be at the meeting to answer your questions and hear your ideas about how to make this a successful campaign. We particularly want community groups who will consider an endorsement of this measure to send a representative.



The Ballot Text:

An ordinance of the city of Richmond amending Chapters 13.52 and 13.54 of Article XIII of the Richmond Municipal Code regarding telecommunication, gas, electricity, water and video users tax so that all users, including large industrial users, shall pay utility taxes based on actual usage, and to eliminate any uncertainty and ensure that the tax covers all gas which is used or consumed to produce energy or for any other purpose.

Also In This Issue

Jeff Ritterman on UUT Page 2

Background of UUT Page 3

Climate Justice 12/7 Demo Pix Page 4

Tell friends about the RPA email newsletter. Send names and emails to

RPAactivist@gmail.com

TOGETHER WE CAN END CHEVRON'S PERK: Everyone in Richmond pays a 10% tax on utilities, Chevron does not. Let's fix it.

Dear Friend:

I am reaching out to you with some good news about a collective effort to make our City of Richmond a more fair, just and livable city. We have made tremendous advances during the last several years, but enormous challenges remain. Our unemployment rate remains high at over 18%, and we have suffered a tragic increase in homicides since last year. We are sadly unable to adequately fund all of the programs that our city would need to put our legacy of poverty, crime and violence behind us once and for all.



**Councilman
Jeff Ritterman**

Last year, Richmond's residents voted to pass Measure T, "A Fair Share for Richmond". The ballot measure provided \$15-20 million in revenue, which now sits in our bank account unused at a time when we are laying off city workers. The reason: Chevron Corporation has sued the city, claiming that Measure T violates their right to engage in interstate commerce.

It's a sad time when a city of 100,000 residents, which is fighting for its very financial survival is

sued by a corporation which earned over \$20 billion in profits in 2008. Chevron has chosen to fight against the declared will of the people of Richmond in order to maximize its profits, no matter what the cost to our city.

This has been the trend in our country for the last 30 years. California's corporations pay less than half the income tax they did when Ronald Reagan was president. Our corporations and CEOs have become unbelievably wealthy, while those who do the actual work to create this wealth have been left behind.

The only solution for our city, our state, and our country is a redistribution of wealth and income from those who have gotten rich at the expense of others during the last generation. It is only by doing this that we can provide the city services which will increase employment,

lessen crime and enhance the well being of all who live and work in Richmond.

We can do this in this city, and we can make Richmond a shining example for other communities. Today I am happy to tell you that in November 2010 the voters of Richmond will have a chance to vote for a positive future for our city. We will have the chance to vote for a ballot measure which will close a loophole that has existed for more than 20 years.

Loophole has cost the city

This loophole has allowed Chevron Corporation to pay a smaller Utility Users Tax rate than every other household or business in Richmond. This is not only unfair. It has resulted in a loss of tens of millions of dollars of potential city revenue over the prior decades. Imagine what our city could have done with all of this revenue to improve the lives of our residents.

The "End Chevron's Perk" measure will restore fairness, and at the same time bring in much needed revenue from Chevron. If we had this revenue now, we would not need to lay off city workers. We would be able to provide a much improved level of city services. We could start community gardens in all of our schools. We could expand our job training programs. We could guarantee that all of our neighborhood schools will remain open

Remember, each and every one of us already pays this Utility Users Tax. No one will see an increase in Utility

user taxes but Chevron Corporation because no one but Chevron has been receiving this discounted rate.

If the past is any guide, we can be sure that Chevron will use its immense wealth

to keep from paying its fair share in taxes. Our only strengths are the righteousness of our cause, and the creativity, sacrifice and hard work of all of us together. It will not be easy, but the future of our city and our world depends on what we do.

I am inviting you to join me for a kick-off meeting to begin this campaign to bring tax fairness to Richmond on Wednesday, January 13 7 PM at 402 Harbor Way.

No one can do this for us. Together we can and we must build a Better Richmond

RSVP JeffRitterman@endchevronsperks.org

In Partnership,

Jeff Ritterman, M.D.

For the "End Chevron's Perk" measure, we need: The endorsement of your organization and your own endorsement; Your financial support for materials to support campaign materials; Volunteers to educate, organize and deliver.

Utility Users Tax Background

1980's: UUT was enacted, charging all residents and businesses in Richmond 10% of the cost of their utility (gas and electricity) usage. Under pressure from Chevron, this law included a provision that said any taxpayer could opt to pay a flat fee of \$14 million per year, instead of a fee based on actual usage. From then until 2006, Chevron, by far the City's largest utility user, paid the flat fee, avoiding having to disclose its actual utility usage. No other taxpayer in Richmond uses enough utilities for the flat fee to be a viable option.

2004-2006: Councilmember Gayle McLaughlin and others suspected Chevron was saving quite a lot of money by paying the flat fee--causing the City to lose money--and joined many in the community asking that the flat fee option be removed, so that Chevron would have to disclose its utility usage and pay the full 10% rate, just like everybody else.

2006: Chevron made a surprise announcement that it would voluntarily stop using the flat fee option and start paying 10% of its utility usage. But without disclosing any records of its utility use, Chevron simply reduced the amount of UUT it paid by about \$4 million per year, and the City lost revenue.

2006-2008: Soon to be Mayor McLaughlin and others cried foul, and demanded that Chevron open its books and allow the City to verify its actual gas and electricity usage. Chevron declined, saying it was proprietary information. With much public pressure, Chevron and the City Council eventually agreed on doing a confidential audit, giving only the

City Manager and City Finance Director access to the documentation on Chevron's utility usage. The confidential audit was completed.

2009: Results of the confidential audit were not disclosed to the public, but only to the City Council in closed session.

We can make a good guess at what the results were, based on what was announced to the public, namely that Chevron would revert to paying the flat fee UUT and on top of that would pay the City \$28 million over the next four years. The City in turn promised not to take steps to remove Chevron's flat fee option for the next four years, until 2013.

Thus, we can infer that the audit verified that Chevron had been seriously underpaying its UUT during the two years it went off the flat fee (2006-2008), possibly by as much as \$14 million per year. We can further infer that if Chevron paid the 10% rate on all of its documented utility usage, their UUT payment each year would be much more than the flat fee amount. It has been estimated that because of the flat fee option for Chevron, the City has lost over \$200 million in revenue since the inception of the UUT.

-Marilyn Langlois



RPA Activist Info

is for Richmond community members who want to be active in taking on the problems of the environment, racism, joblessness, housing, and crime to create a healthy Richmond. We believe that community involvement means more than voting every two years. It means regular communication with the candidates we elect, letting them know our issues and positions, supporting them as they try to take our issues forward. It means we attend meetings, use the email, phone our neighbors, or go on marches building an organized movement to create real change.

Comments and columns are welcome. Signed articles and columns are the views of the author and not necessarily those of the RPA. Send photos, articles, and comments to RPAactivist@gmail.com or call the RPA at 510-595-4661

events are listed on
[RPA Info on Public Events](#)
[Calendar](#)
If you want your event listed send it
to
RPAactivist@gmail.com

As the Copenhagen talks on Global Warming began, demonstrations around the world demanded that corporate influence in the talks be ended and that it was time for action. In the Bay Area , The Mobilization for Climate Justice demonstrated at Chevron headquarters in San Ramon.

More than 20 allied groups including the RPA signed a letter to incoming Chevron CEO John Watson, calling on him to take three immediate actions: 1. Support equitable, science-based emissions reduction targets and climate solutions in international climate change negotiations and domestically. 2. Pledge not to support fake “grassroots” campaigns against national climate change legislation. 3. Cap the crude and stop expanding into heavier, dirtier sources of crude oil.

I'm proud to be part of this global day of protest, to add our voices to the struggle for the survival of our planet and environmental justice!!

We've come here today to make these major points

1 . Global warming is a matter of life or death for all of us on this planet and for the planet as well.

We know this is true, The scientific community overwhelmingly agrees. Most of the world agrees.

Yet the actions which are creating global warming continue. Rather than action coming out of Copenhagen, all we are getting is talk about having more talks next year.

2. We can not allow corporation whose only interest is making a profit to determine how we will meet this crisis.

3. The stalling is not about science—it is about power.

The reason that we get no action even though “everybody” agrees that the situation is dire is that the corporations who are inflicting this global warming on us also have massive political power to stop elected governments from doing anything about it.



Therefore we are not just about education. We are about power in society.

If we are to defeat the corporations' enormous economic power we have to build power at all levels--In the streets, at the office doors, at the refinery gates. We have to put our bodies on the line not just to make a moral witness but to make it as difficult as we can for business to continue as usual.

There are other levels. We have to challenge the **political power** of the corporations like Chevron which they use to make profits at the expense of the health of the surrounding communities and the planet.

We have to challenge the elected officials who are beholden to Chevron through direct and indirect political contributions. We have to tell these politicians in the only language they understand—If you speak of the threat of global warming but you vote Chevron

you will be defeated. We will organize to back candidates committed to us –committed to the world –committed to the children that suffer asthma from your pollution.

It can be done. In Richmond we are in the belly of the beast. We see Chevron influence elections to their favor. We see Chevron challenge in the courts hard won victories for the climate and the city of Richmond. We see Chevron buy off community organizations that are committed to serving the very population that

Chevron is killing with pollution. But last year we beat well financed Chevron candidates and campaigns. We have a mayor and two council members who are committed to going up against Chevron for the health and welfare of Richmond.

We are preparing ourselves to continue the fight this year to elect additional council members and to force Chevron to act for the welfare of the community.

But corporate political power must be fought everywhere---- Chevron must be faced with political campaigns which challenge their political power throughout the world--in Richmond...in San



Ramon...in Ecuador... in Nigeria...in the Phillipines...in Burma.

Wherever they are we must fight back at every level – with our bodies, with our legal challenges, with our media campaigns, and with campaigns for political power for ourselves, our children, and generations to come.

-Margaret Jordan

Photos by Michael Beer and Jessica Tovar