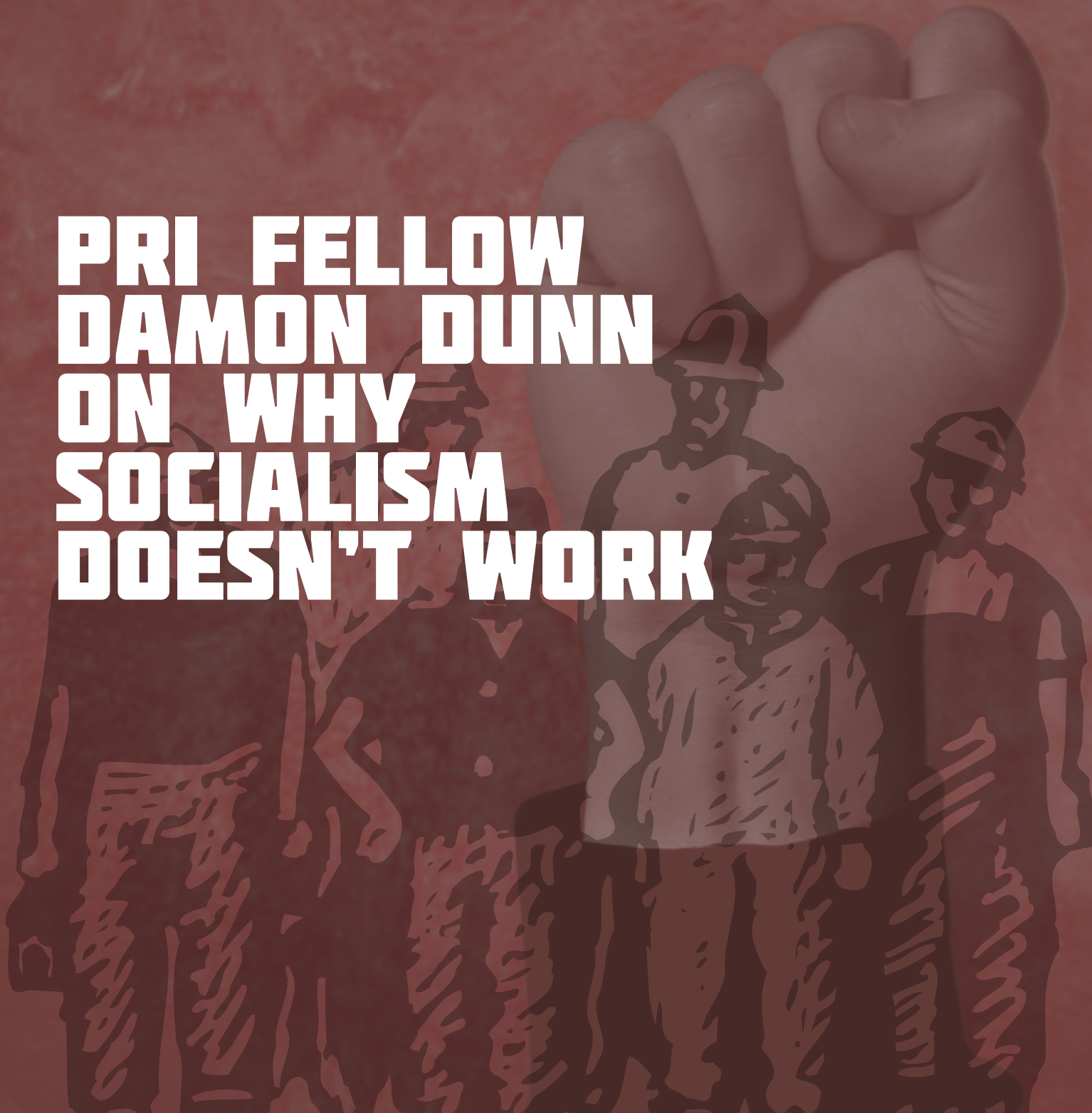


# Impact

Winter 2020

A Pacific Research Institute Publication

**PRI FELLOW  
DAMON DUNN  
ON WHY  
SOCIALISM  
DOESN'T WORK**





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5. **Bartlett Cleland** – All Things Tech

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# Dear Friends and Supporters,

**A**s we celebrate a new year, a new decade, and PRI's 41st Anniversary, America finds itself in the midst of one of the most competitive and intense presidential election campaigns in recent memory. Each Democratic candidate has offered a starkly different vision of what our country would look like if elected president in November.

Senator Bernie Sanders (I-VT) promises to enact a "Medicare for All" health care system that would ban all private health care coverage and reduce the quality of and access to care, in addition to imposing trillions of dollars in new taxes over a 10-year period. Senator Elizabeth Warren (D-MA), in addition to her support for a stepping-stone approach to Medicare for All, has a vision for education reform where students would be trapped in government-run schools, with parents in low-income communities losing the ability to send their kids to a charter or private school of their choice. Candidate Andrew Yang promotes a so-called "universal basic income" scheme that amounts to the government paying people to do nothing.

This edition of *Impact* explores the growing support for socialism, particularly among progressive Democrats.

- In our cover story, PRI fellow in business and economics Damon Dunn shares his real-life story overcoming an upbringing in extreme poverty. He makes the case pointing out why socialism doesn't work (Page 6).
- Lance Izumi, senior director of PRI's Center for Education, analyzes Senator Elizabeth Warren's education plan, which he calls "My Big Fat Payoff to the Teacher Unions" (Page 15).
- Center for California Reform fellow Kerry Jackson writes about a very controversial new California state law (Assembly Bill 5), that would take away worker freedom for

millions of Californians. This idea has been endorsed by several presidential candidates (Page 12).

This issue of *Impact* also offers market-based reforms and ideas that would push back against the big government proposals being advocated on the 2020 campaign trail.

- Senior Fellow in Business and Economics Dr. Wayne Winegarden makes the case that embracing entrepreneurship is one of the most important things policymakers can do to help people climb the economic ladder and escape poverty (Page 10).
- My new book *False Premise, False Promise: The Disastrous Reality of Medicare for All* (Encounter Books, January 2020), exposes the truth surrounding single-payer plans that will result in long waiting lists, rationed care, a shortage of doctors, and higher taxes. I provide real-life stories from Canada and the U.K. that illustrate the nightmare Medicare for All would bring to America's patients. I conclude by offering market-based alternatives based on choice and competition that would improve our current health care system.

As socialism grows in popularity, PRI's work is needed more than ever before to defend free markets and the individual liberty of all Americans. With your continued support, PRI will continue to be a beacon of freedom offering the right ideas and needed reforms to promote opportunity and prosperity for all Americans.



Sincerely,

A handwritten signature in cursive that reads "Sally".

Sally C. Pipes  
President, CEO, and  
Thomas W. Smith Fellow  
in Health Care Policy



To watch Sally Pipes' Intelligence Squared debate, visit [www.pacificresearch.org](http://www.pacificresearch.org)



# Sally Pipes Wins Prestigious National Debate on Private Insurance vs. Medicare for All

By Rowena Itchon

ORIGINALLY PUBLISHED IN PRI'S *RIGHT BY THE BAY*

I recently accompanied Sally Pipes to New York where she participated in a debate sponsored by Intelligence Squared. For a decade now, Intelligence Squared has been hosting debates on all issues concerning public policy, from the Middle East, to driverless cars, to one of my recent favorites — is President Trump good or bad for comedy?

The debate asked if the United States should replace private insurance with Medicare for All. Arguing against the resolution alongside Sally was Nick Gillespie, editor of *Reason Magazine*. On the other side was Dr. Adam Gaffney, president of Physicians for a National Health Program and a pulmonary specialist at Harvard Medical School, and Joseph Sanberg, co-founder of financial firm Aspiration and the CalEITC4Me program, a California-based program offering an earned income tax credit.

I had no doubt in my mind that Team Pipes/Gillespie was going down. Of course they would — in the 2016 presidential campaign, 80 percent of New York City voted Democrat. Single-payer healthcare and Medicare for All is the top issue of all the Democrat debates. I even arranged a politically incorrect dinner of foie gras (banned in California) and wine to drown our sorrows.

Amazingly, they actually won!

The audience voted 51 percent to oppose replacing private insurance with Medicare for All compared to 40 percent who supported it. Nine percent were undecided. What makes victory even sweeter is that in a pre-debate vote, 36 percent favored replacement with Medicare for All, 35 percent were against it, and 29 percent were undecided. This means that the majority of the undecideds were won over.

What convinced voters? Here's what the audience had to say:

- “you [Sally] came across so knowledgeable but also compassionate – and I am sure the Canadian horror stories were a big factor in swaying the crowd!”
- “...in my opinion, your personal examples swung the vote. No one knows the policy arguments better than you, but no one has all the personal examples either. A great combination!”

Throughout the 90 minutes, Sally named names; real people and their families who suffered in Canada and the United Kingdom where health care is largely run by the government. From Mick Jagger who opted to fly to New York instead of the U.K. for his emergency heart surgery, to little Ashya King, whose parents were thrown in jail for taking him to Spain because the treatment for his particular cancer was

not available in the U.K., and finally, the tragedy of Sally's own mother.

In her closing argument, Sally appealed to the audiences' hearts as well as their minds:

“It may sound morally right to have Medicare for All, it may even seem like it's worth the trade-offs; higher taxes, rationed care, long waits, whatever, in exchange for a program that is supposedly going to give you security through a government-run program. But Medicare for All cannot repeal the law of supply and demand. Good intentions can't fund hospitals, pay doctors, eliminate waiting times, and rationed care. . . We can stop single-payer from taking root in this country. We can say no to the false promises offered by politicians about Medicare for All.”

*Rowena Itchon is senior vice president of the Pacific Research Institute.*

## Read Sally Pipes' New Book

In January, the latest book from PRI President, CEO, and Thomas W. Smith Fellow in Health Care Policy Sally Pipes, *False Promise, False Promise: The Disastrous Reality of Medicare for All*, was published by Encounter Books.

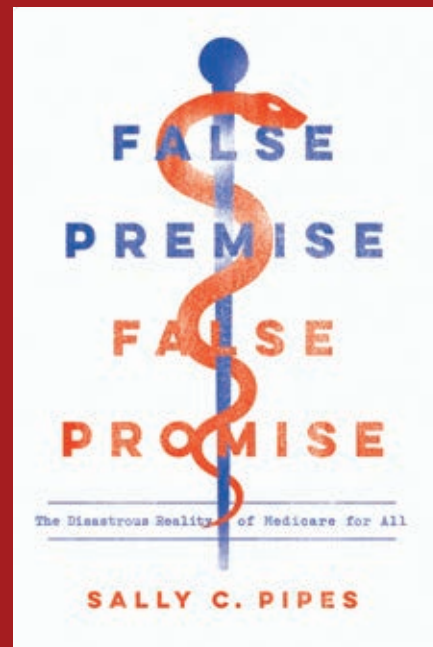
The book exposes the many problems with the Medicare for All plans under consideration in Congress, details the horrors of single-payer with heart-wrenching stories of patients suffering, and offers a workable vision for delivering the affordable, accessible, quality care Americans are looking for.

Based on the latest polls, health care is the top issue in the 2020 election campaign. Several leading Democratic presidential contenders have endorsed a single-payer or Medicare for All plan. Virtually all of the Democratic candidates endorse a so-called public option.

*False Promise, False Promise* will help educate Americans in advance of the 2020 election on why “Medicare for All” is a disastrous idea for our health and for freedom. It is an extremely timely and useful resource for candidates, the media, and voters as the campaign continues in full swing.

Retired U.S. Senator Dr. Tom Coburn, now with the Manhattan Institute, wrote the foreword to the book, which also includes testimonials by Dr. Arthur Laffer, former California Governor Pete Wilson, Steve Forbes, Andy Puzder, and Galen Institute president Grace-Marie Turner.

Pick up a copy of *False Promise, False Promise* today at Amazon.com or your favorite bookseller.





My Rise  
from Poverty  
**AND WHY  
SOCIALISM  
DOESN'T WORK**

By Damon Dunn

*EXCERPT FROM THE PRI ISSUE BRIEF*



**T**he ready dash towards socialism is one of the more remarkable aspects of the current Democratic primaries. Remarkable for the lock-step adherence—save the lone moderates in the race—to socialist ideas as the new orthodoxy in a party whose very name embodies the rights and responsibilities of the individual. Remarkable for the belief that socialism—an ideology that has shown time and again that it is the antithesis of innovation and progress—can provide the answers to a complex and increasingly diverse society. Remarkable that otherwise knowledgeable candidates somehow see a political calculus where socialist policies provide a path to victory after more than a century and a half of rejection by the American public.

It's not just in the political sphere. Save for a handful of isolated and benighted examples such as Cuba, North Korea, and Venezuela, a generation-and-a-half has now gone through life not seeing the true contrast between life under socialism and their lives in a market economy. Into this vacuum,

the growing orthodoxy on college campuses now preaches only the failures of the latter against a romanticized attachment to the former.

A growing portion of the media, especially social media, embraces socialist answers as the good of the many over the rights of the few. Some states such as California and New York seeking to enhance their "progressive" credentials embrace income redistribution—the fundamental core of these dead, regressive, and authoritarian systems—as their only answer to the growing costs imposed by other "progressive" policies on housing, energy, transportation, and other daily needs of life.

My family should have presented the ideal conditions for the embrace of socialism. At its core, socialism is based on a belief that most members of society are not capable of providing for themselves and, therefore, government must provide for them. Both of my grandfathers worked factory jobs—one at a fertilizer manufacturing company and the other at a food processing company.

Neither had a college education.

We were poor, and one set of grandparents lived in a trailer and the other in the poorest part of the inner city. However, their jobs allowed them to provide for certain basic needs like housing, health care, food, clean drinking water, and even a pension. We didn't have much, but each man made enough to be independent of his parents and raise a family; including for the first decade of my life, me.

Some government programs helped—free and reduced cost lunches at school, surplus food distributions, food stamps—the basic social programs few would question and that have long been a fixture of our society whether through government or through private community and religious groups.

But around us were the constant lessons of becoming too dependent, for with greater government assistance came greater government rules. Broken homes remained broken because a higher-paying job, marriage, or even acknowledging a relationship of many years could result in lost government benefits and even the home itself through lost rental vouchers.





Generations became mired in a cycle of dependence because assistance creates barriers to moving ahead. Moving up the economic ladder or even just getting to where you can be on the first rung didn't mean finding a job that paid 10 or 20 percent more. If that raise put you outside the rules, it meant having to

My grandparents showed the importance of personal responsibility. The living wasn't high but it was enough and it was good because it came from what they earned. My mom then showed the path to move forward even more. She was the first person in our family to go to college, and after coming back for me at age 11,

somewhat better than average job in government or at a nationalized business, and a somewhat better than average apartment in a block of government-approved and managed housing. All of this would have been provided so long as all the rules—including fealty to government policies of the moment—were followed.

**“Accepting assistance meant the government was able to tell you how much you would get, how you should spend it, and in far too many respects, how you should live your life.”**

find—and find quickly—a job paying twice or three times as much simply to cover what was about to be yanked away.

These were not the apocryphal “welfare queens” or people simply trying to game the system. They were parents and adult children trying to make do with what they had available to them and do their best for their families. That’s all too many were able to achieve - “making do.” Accepting assistance meant the government was able to tell you how much you would get, how you should spend it, and in far too many respects, how you should live your life.

Socialism means increasing this dependence and expanding it to all.

made it clear from that point onward that college was in my future as well. In her mind, education was the path to success.

Most of my peers didn't have the same encouragement at home. Their default expectations were what they experienced in their families and what they saw around them in our community. Government assistance was the only answer they knew, the primary means of getting by. It became the answer as well for the next generation as their turn came to step into the cycle of dependency.

My life probably would have been okay under socialism. My athletic skills likely would have been rewarded with some sort of “Hero of [fill in the blank]” award, a

My dreams were higher, spurred on by the lessons from my mom. A newfound commitment to learning opened up the doors to a good college education. That education made possible a successful career in business, and not for one minute are there any apologies for that success. We built a good business and provided jobs that opened the same opportunities for the people who worked them.

My family knows stability and my daughter knows the importance of education and work to succeed as well as the joy of sharing with others. These chances came from our market economy. Socialism instead would have meant waiting until the government decided to give it to us.

WANT TO END POVERTY  
IN CALIFORNIA?

# EMBRACE ENTREPRENEURSHIP.

BY DR. WAYNE WINEGARDEN

ORIGINALLY PUBLISHED IN *ORANGE COUNTY REGISTER*



Sacramento politicians have heralded the state's record-low 4.0 percent unemployment figures. While this is good news, anyone living in Southern California will tell you that things aren't as rosy as they appear to be.

Take what's going on in Imperial County, for example. Unemployment rates in the El Centro region, which borders both Mexico and Arizona, were 22.1 percent in August, which the California Center for Jobs and the Economy terms, "Great Depression-era levels of unemployment."

Meanwhile, California once again had the nation's highest poverty levels in the latest release of the U.S. Census supplemental poverty measure. It found that 18.2 percent – or almost one in every five people – were living in poverty. We've heard a lot of talk this year from state elected officials about reducing poverty. But Gov. Newsom and his allies promote the status-quo policies – such as increasing taxpayer spending and creating or expanding government programs – that haven't proven successful in helping people in need.

If they are serious about wanting to help the poor, Newsom and lawmakers should look toward entrepreneurship as the key to ending poverty in California. As a new Pacific Research Institute study finds, empowering the poor to start and grow a business is perhaps the most important thing we can do to help them move up the economic ladder.

Entrepreneurship is also the key to helping immigrants who came to California seeking a better life for their families realize the American dream of opportunity and prosperity. Unfortunately, government has been making life harder for low-income entrepreneurs. Federal and state policymakers have imposed significant barriers to opportunity, a troubling mix of high taxes and bureaucratic red tape that make it very difficult for those at the lower end of the economy to succeed.

Sacramento erected one of the stiffest barriers this year with the signing of Assembly Bill 5, imposing strict limits on who is an independent contractor and

who is an employee. Passed in the name of "protecting workers," this misguided law will make it much harder for poor and immigrant entrepreneurs to start their own businesses, as many start their careers as independent contractors.

So, what should Sacramento do to lower startup costs and increase capital for low-income and immigrant entrepreneurs? For starters, they should repeal anti-work, anti-entrepreneur mandates like AB 5, and stop new job-killing, cost-raising mandates on startups and the gig economy.

Next, they should reform out-of-date occupational licensing laws that impose significant time constraints and burdensome costs on budding entrepreneurs – without any real public benefit. As recent figures from the Institute for Justice illustrate, roughly 2.5 million Californians need an occupational license to work, while occupational licensing barriers have cost the state nearly 196,000 jobs.

Policymakers can also stop adding to the costs of growing a business through anti-worker mandates like a \$15 minimum wage. As UC Riverside research showed earlier this year, 30,000 fewer jobs than expected will be created in the restaurant industry alone between 2017 and 2022 – just the type of business a low-income entrepreneur might open – thanks to Sacramento's minimum wage push.

At the federal level, policymakers should embrace free-market reforms to the tax code to lower taxes on small businesses and allow more flexibility to save in tax-free retirement and health-care accounts. They should also right-size regulations on microlenders and community banks. Collectively, these policies would give low-income and immigrant entrepreneurs more access to the startup cash they need.

Ending poverty in California requires a different way of thinking than higher taxes and bigger government adopted in the name of "helping" the poor. By embracing the free market and empowering low-income and immigrant entrepreneurs, we will see more startups launch, more jobs created and people hired, and more Californians growing their way into the middle class.

*Dr. Wayne Winegarden is a senior fellow in business and economics at the Pacific Research Institute.*

# California's AB 5 Will Kill the Gig Economy and Force More Companies to Leave

By Kerry Jackson

ORIGINALLY PUBLISHED IN *CALMATTERS*



Proposition 13 was called the political equivalent of a sonic boom by economist Art Laffer.

In limiting how much local governments could drain from Californians through property taxes, fed-up voters changed the political landscape with the 1978 ballot measure in a way that few state policies have, before or since.

Howard Jarvis' Proposition 13 swept the country and made headlines around the world.

Sounds a lot like Assembly Bill 5. The difference is Prop 13 is a force for good. AB 5 is a destroyer. Worse, other states are determined to duplicate California's mistake.

AB 5, passed and signed last month, virtually bars Californians from working in the gig economy. The law, which implements a California Supreme Court decision, imposes a three-pronged test that identifies who's still free to be a contract worker and who has to be a hired employee.

A worker can be an independent contractor only if he or she:

- A) Is free from the control and direction of the hirer in connection with the performance of the work, both under the contract for the performance of such work and in fact;
- B) Performs work that is outside the usual course of the hiring entity's business; and
- C) Is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed for the hiring entity.

Is there a freelance worker who could possibly pass Part B?

Under that requirement, janitors could work as independent contractors only when they have contracts with companies not in the business of cleaning. Or a rideshare driver could work under a contract with Uber or Lyft only if those companies were primarily in the business of, say, selling vacuum cleaners.

It's a rigid framework, says labor law firm Fisher Phillips, that will appear, if it already hasn't, in "the nightmares of your average gig economy business executives."

It's already a bad dream for workers.

"Despite AB 5, Uber Drivers Would Rather Quit Than Be Employees," reads the headline to the first installment of a two-part series in the online publication, *Los Angeles*. One driver interviewed for the

story said that "when the lawmakers make these laws, they don't live our lives."

## AB 5 is a historic mistake.

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"I have to pick my kids up or drop them off. I do that and come back to work, driving. What shift is going to let me do that other than this?"

*Los Angeles Times* columnist George Skelton, no puppet for corporations, recently wrote "there are tens of thousands of independent contractors who apparently don't feel the slightest bit exploited. And they don't want anything to do with formal employment or unions."

The few able to pass the test and will remain independent contractors might not be independent for long.

In a signing statement, Gov. Gavin Newsom said the next step "is creating pathways for more workers to form a union, collectively bargain to earn more, and have a stronger voice at work."

It is "in this spirit," he said, that he would persuade political, labor, and business leaders to support an

effort in which “workers excluded from the National Labor Relations Act” would have “the right to organize and collectively bargain.”

When Skelton said that maybe the aim of AB5 was “to rope in more dues-paying union members,” he might have been more correct than he realized.

Where Proposition 13 set off an extended era of prosperity, AB 5 will rob workers of the freedom and flexibility they want and sometimes need from freelance work, and force more companies to leave the state than already are. California’s once-dynamic economy is on track to becoming permanently sclerotic.

AB 5 is a historic mistake.

No one knows what kinds of jobs Americans will be working in 50 years, not even 25, just as who lived through the Depression had no idea what work was going to be like in the 21st century.

Classifying jobs through a government order is going to hold back the natural evolution of work. There are already regrets and there will be many more to come.

*Kerry Jackson is a fellow with the Center for California Reform at the Pacific Research Institute.*

# PRI’s Young Leaders Circle Hosts Gig Economy Panel with Industry Experts

PRI’s Young Leaders Circle held a panel discussion on the serious ramifications Assembly Bill 5 would have on California’s freelance workers and independent contractors. Attendees were treated to a panel featuring Jennifer Barrera, Executive Vice President at the California Chamber of Commerce; Vignesh Ganapathy, Head of Government Affairs with the popular mobile delivery company Postmates; Carolyn Said, Business and Technology Reporter at the *San Francisco Chronicle*; and Shawn Lewis, Policy Director for the National Federation of Independent Business California.

The panel spoke about the danger that AB 5 poses to companies who may be forced to classify contractors as full-time employees under a strict “ABC test.” Ganapathy provided insights about the compliance challenges faced by Postmates, and other mobile application companies since his company has high turnover. Like Uber and Lyft, Postmates has a constant stream of delivery drivers that stay with the company an average of three months. The experts from the California Chamber of Commerce and National Federation of Independent Business explained the many issues with the exemption of certain industries, as well as the national implications of other state legislatures looking to mirror the law.



Guest panel speakers at the YLC event on October 1, 2019.

# Warren's 'Big Fat Payoff to the Unions' Education Plan



**BY LANCE IZUMI**

Originally published in *Inside Sources*

## “ Elizabeth Warren, who used to support school-choice vouchers and charter schools, has become the education picture of Dorian Gray.

Recently, Senator Elizabeth Warren released her education plan titled “A Great Public School Education for Every Student,” but the scheme should have been named “My Big Fat Payoff to the Teacher Unions.”

The publicity splash in Warren’s plan is her call to quadruple funding for the federal Title I program, which funnels money to disadvantaged students, to the tune of a whopping \$450 billion over a 10-year period.

Warren claims that she wants to ensure that these new federal funds “are reaching the students and schools that need it most,” but it is obvious that a lot of those new tax dollars will be going to Warren’s powerful teacher-union friends.

Thus, she says, “My plan to quadruple Title I funding incentivizes states to shift their funding formulas to better support students in critical ways, such as by increasing teacher pay” and also raising the pay for “paraprofessionals and other education support professionals.”

Warren then describes how this teacher-pay increase can be accomplished.

“One of the best ways to raise teacher pay permanently and sustainably — and to give teachers more voice in their schools — is to make it easier for teachers to join a

union, bargain collectively and to strike like educators did across 14 states in 2018-19.”

So, essentially, Warren’s plan is to increase federal education spending by a massive amount, direct much of that money to teacher pay hikes, and then to ensure that teachers are unionized so they can go on strike.

But Warren isn’t finished shilling for the teacher unions. “I have led the effort to eliminate the ability of states to pass anti-union ‘right-to-work’ laws, and I will make enacting that change a top priority.”

In other words, Warren wants to eliminate the freedom of disaffected public workers including teachers to be able to choose whether or not to be a member of a public employee union, which right-to-work laws guarantee.

And to top it all off, Warren wants a federal law that will make it easier for unions to unionize teachers and staff and, very important, that will make it easier to collect “fees to support a union.”

Her final kowtow to the unions is perhaps the most disgraceful. In response to the unions’ jihad against charter schools, Warren lays out a death plan for charters.

First, she wants to eliminate the federal program that promotes new charter schools. “As president, I would eliminate this charter

school program and end federal funding for the expansion of charter schools.”

Further, she wants only local school boards, which are often controlled by union sycophants, to have the power to authorize the establishment of charter schools.

That position is to the left of even California Governor Gavin Newsom, who recently signed a bill that gave charter-school organizers the ability to appeal adverse local school board decisions to the county board of education.

To underscore her placing of union priorities above all else, Warren’s plan adopts the tone and language of a union flyer: “My administration also will crack down on union-busting and discriminatory enrollment, suspension and expulsion practices in charter schools.”

A massive Stanford University study of more than 40 urban areas in the country found that low-income African-American and Hispanic students who attended charter schools had higher achievement rates in math and reading than their peers in regular public schools.

But, for Elizabeth Warren, ideology, special-interest politics, and the blind pursuit of power trump any concern for parents who want a better education option for their children.

Elizabeth Warren, who used to support school-choice vouchers and charter schools, has become the education picture of Dorian Gray.

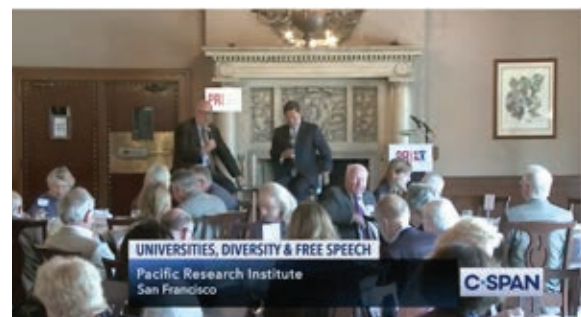
*Lance Izumi is the senior director of the Center for Education at the Pacific Research Institute.*

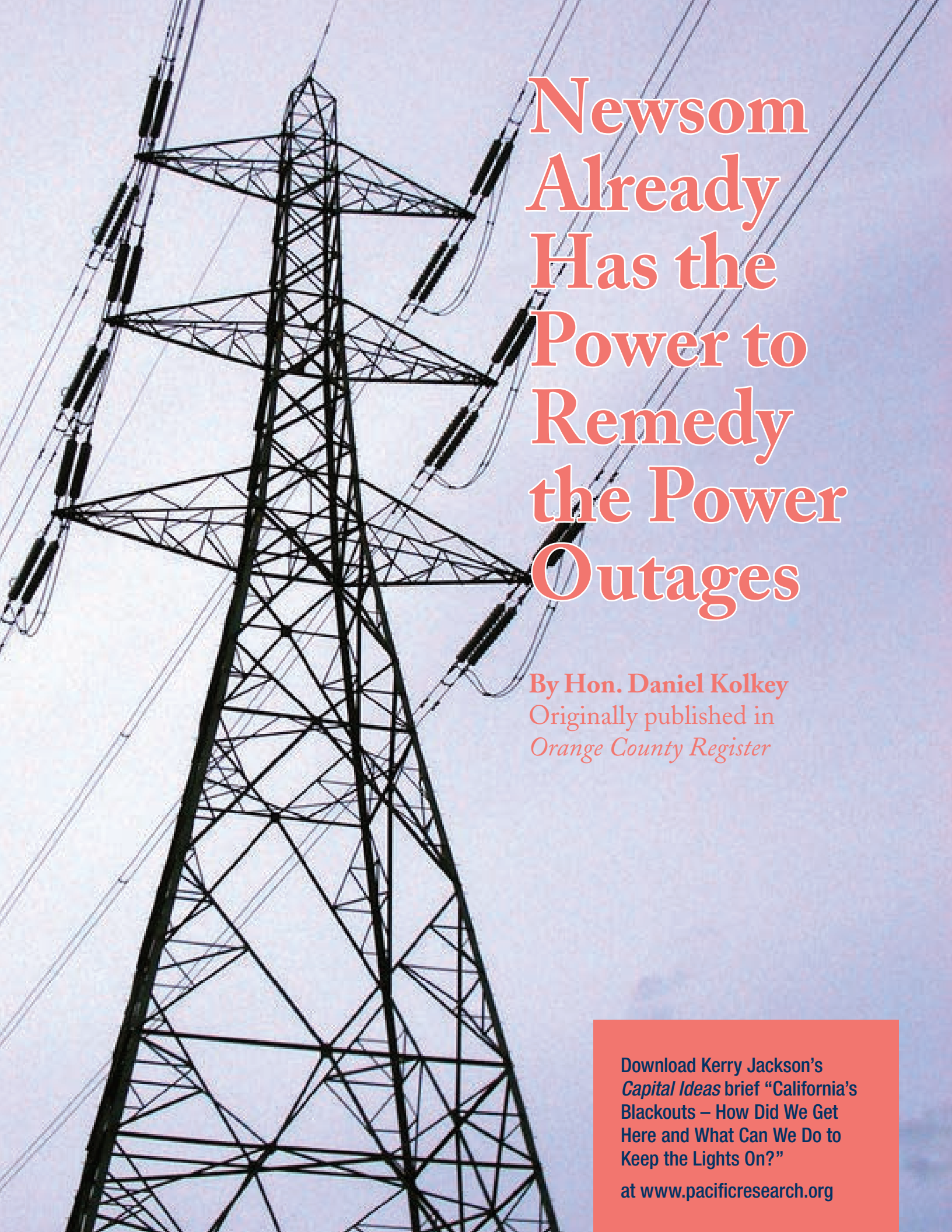


# PRI Scholars Featured on National, Statewide TV

PRI scholars have taken to the airwaves recently, responding to the news of the day and promoting PRI's scholarship and free-market ideas.

- Sally Pipes discussed Elizabeth Warren's "Medicare for All" plan on "The Evening Edit" with Elizabeth MacDonald on Fox Business Network.
- Evan Harris discussed a new California law allowing student athletes to profit from their own image and likeness on Newsy.
- Kerry Jackson discussed California's homeless crisis on "The Daily Ledger" on One America News Network.
- Tim Anaya shared his thoughts on the first night of the second Democratic presidential debate on the Commonwealth Club's "Week to Week Political Roundtable," which aired statewide on the California Channel.
- Our recent luncheon with PRI senior fellow Steven Hayward and UC Berkeley law professor John Yoo discussing the attacks on free speech and lack of ideological diversity on America's college campuses was broadcast to a national television audience on C-SPAN.





# Newsom Already Has the Power to Remedy the Power Outages

By Hon. Daniel Kolkey  
Originally published in  
*Orange County Register*

Download Kerry Jackson's  
*Capital Ideas* brief "California's  
Blackouts – How Did We Get  
Here and What Can We Do to  
Keep the Lights On?"

at [www.pacificresearch.org](http://www.pacificresearch.org)

**A**mid an unprecedented – and excruciating – recent number of intentional power outages to mitigate the risk of fires during California’s dry, windy conditions, Gov. Gavin Newsom has proposed a number of policy measures, ranging from demands for \$100 rebates to PG&E customers to threatened fines to appointing an energy czar, none of which will squarely address the unacceptable dilemma of widespread and continuing power outages that have already affected millions of my fellow Californians. PG&E reports that it may take ten years to reinforce its aging infrastructure to avoid such outages.

However, the governor himself holds the power to mitigate the need for such widespread power outages. The California Emergency Services Act grants the governor the power to declare a state of emergency to implement an accelerated program for reinforcing the state’s power infrastructure by lifting those statutes and regulations that require California utilities to divert their resources to meet expensive goals for renewable energy, instead of investing their funds to strengthen their infrastructure. The Act also empowers the governor to enlist the mutual aid of the state’s many subdivisions to assist in a massive effort to trim back trees that endanger transmission lines, particularly in forested areas.

California’s goals of deriving 33 percent of the state’s electricity from renewable sources by 2020 and 50% by 2030, requires a significant diversion of resources that could otherwise go to protecting the public’s health and safety by reinforcing the aging transmission lines, towers, and substations.

Assemblyman James Gallagher, R- Yuba City observed that in 2017, PG&E spent \$2.4 billion in purchasing renewable energy, but only \$1.5 billion in updating its infrastructure. And while the state’s renewable energy goals are laudable, there must be a balance between the resources allocated to renewable energy for a distant (and fire-ravaged) tomorrow and those allocated to the public safety today.

This is particularly the case when reputable sources note that California accounts for less than 1% of global emissions. Thus, a temporary reduction of

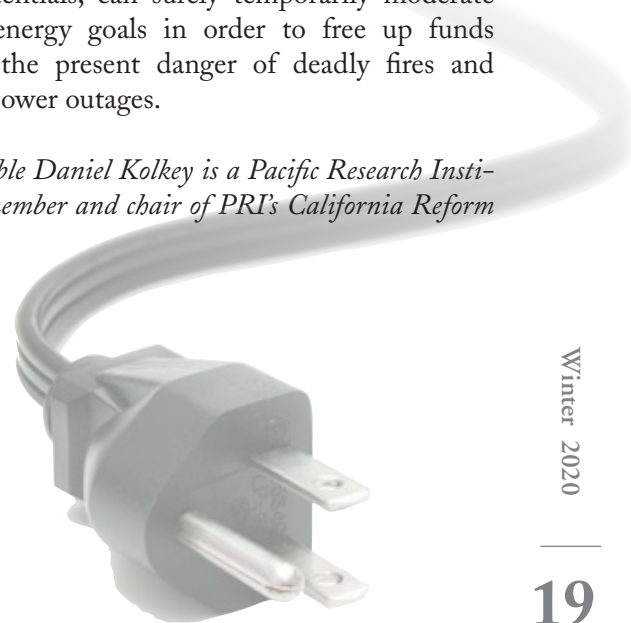
future renewable energy goals to address the present peril of fire, fury, and outages would likely make no difference to climate change.

The Emergency Services Act allows the governor to mitigate the effects of “natural” or “manmade” causes of emergencies, which result in “conditions of disaster or in extreme peril to life, property, and the resources of the state,” which are “likely beyond the control” of any single county or city – which certainly describe the impending risk of fires capable of destroying people’s lives, whole towns (like Paradise), and Presidential Libraries, and power outages that disrupt life-sustaining medical equipment, food storage, and even cell service based on voice-over-internet service, cutting their users from the outside world.

Significantly, the Act grants the governor the power to “suspend any regulatory statute” or “the orders, rules, or regulations of any state agency . . . where the Governor determines and declares that strict compliance with any statute, order, rule, or regulation would in any way prevent, hinder, or delay the mitigation of the effects of the emergency.” Thus, the governor could temporarily lift statutory and regulatory renewable energy requirements to provide utilities with the funds for an accelerated effort to strengthen their aging power infrastructure and to trim back trees that threaten transmission lines. Local governments could be enlisted and trained to help with the effort.

Climate change is occurring, but that does not mean that the public health and safety must suffer based on pure speculation that particular goals for renewable energy cannot be temporarily lifted without impacting climate change. Newsom, with his anti-carbon credentials, can surely temporarily moderate renewable energy goals in order to free up funds to address the present danger of deadly fires and dangerous power outages.

*The Honorable Daniel Kolkey is a Pacific Research Institute board member and chair of PRI’s California Reform committee.*



# Politicians Are Scapegoating E-Cigs For Harm They Haven't Done

By Jeff Stier And Henry Miller, M.S., M.D.

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# W

hen there's an outbreak of deaths or illnesses from injected street drugs, do public health authorities demand diabetics and doctors stop using syringes? Of course not. Yet a host of public officials — from President Trump to Gov. Andrew Cuomo to members of the Squad — are taking just that sort of approach in responding to the spate of vaping-related illnesses and deaths around the country.

Cuomo, for example, went on a tear Sunday about vaping, calling it “a burgeoning health crisis” and threatening to declare an emergency to ban flavored nicotine e-cigarettes. That followed Trump’s announcement last

Wednesday of federal plans to prohibit such devices.

The dramatic sudden outbursts of concern come after six deaths and 380 severe acute pulmonary illnesses, including at least 41 in New York. The cases were linked not to nicotine e-cigarettes but to vaping THC, the active ingredient in cannabis.

Scientists at New York’s Department of Health have led the way in pointing the finger at black-market THC-containing liquids, finding “very high levels of vitamin E acetate in nearly all cannabis-containing samples analyzed” in their investigation.

State laboratory test results found that “at least one vitamin E acetate-containing vape product has been linked to each patient who submitted a product for testing.” Vitamin E acetate is an oily substance used to thicken cannabis-derived vaping liquids.

Vaping devices, including e-cigarette hardware, are simply devices for delivering an aerosolized solution. Nicotine e-cigarettes, which serve as a substitute for deadly cigarettes that burn tobacco, typically contain a solution of nicotine, flavorings and vegetable glycerin or propylene glycol.

Globally, tens of millions of people have used billions of e-cigarettes without any acute ill effects. In fact, the US Food and Drug Administration has told state health officials that lab testing of unused legal nicotine vape products of the type obtained from sick patients (who likely also used an illegal THC oil) found no contaminants or ingredients suspected of causing illness.

It's a very different story when a vaporizer is used to deliver black-market street drugs like the cannabis-derived oils that are being dangerously adulterated with vitamin E acetate.

In announcing the planned federal ban on flavored e-cigarettes in the midst of the outbreak of lung disease, Trump is being misled. Vaping nicotine is an approach to harm-reduction, and appealing non-tobacco flavors are critical to reduce the likelihood that adults will revert to smoking cigarettes.

Exposure to nicotine is not healthy, to be sure, and kids should not vape (unless they already smoke cigarettes and want to transition to a less harmful alternative). But prohibition seldom works, and data from the FDA indicate that while vaping in teens is up, cigarette smoking has fallen to historic lows.

Still, elected officials continue their attack on e-cigarettes, recommending that nearly everyone stop vaping immediately.

Linking acute lung disease to e-cigarettes is no more logical than warning people about the dangers of vaccination because vaccines are delivered through a needle, and people can get hepatitis from dirty needles.

Expansive warnings to stop vaping altogether, instead of to avoid illicit contaminated THC products, are like advising ex-smokers who have switched to vaping to return to smoking cigarettes. That puts vapers' lives at risk.

What we need is aggressive state, local and federal enforcement against teen vaping and Drug Enforcement Administration action against illegal THC vapes that cause lung disease.

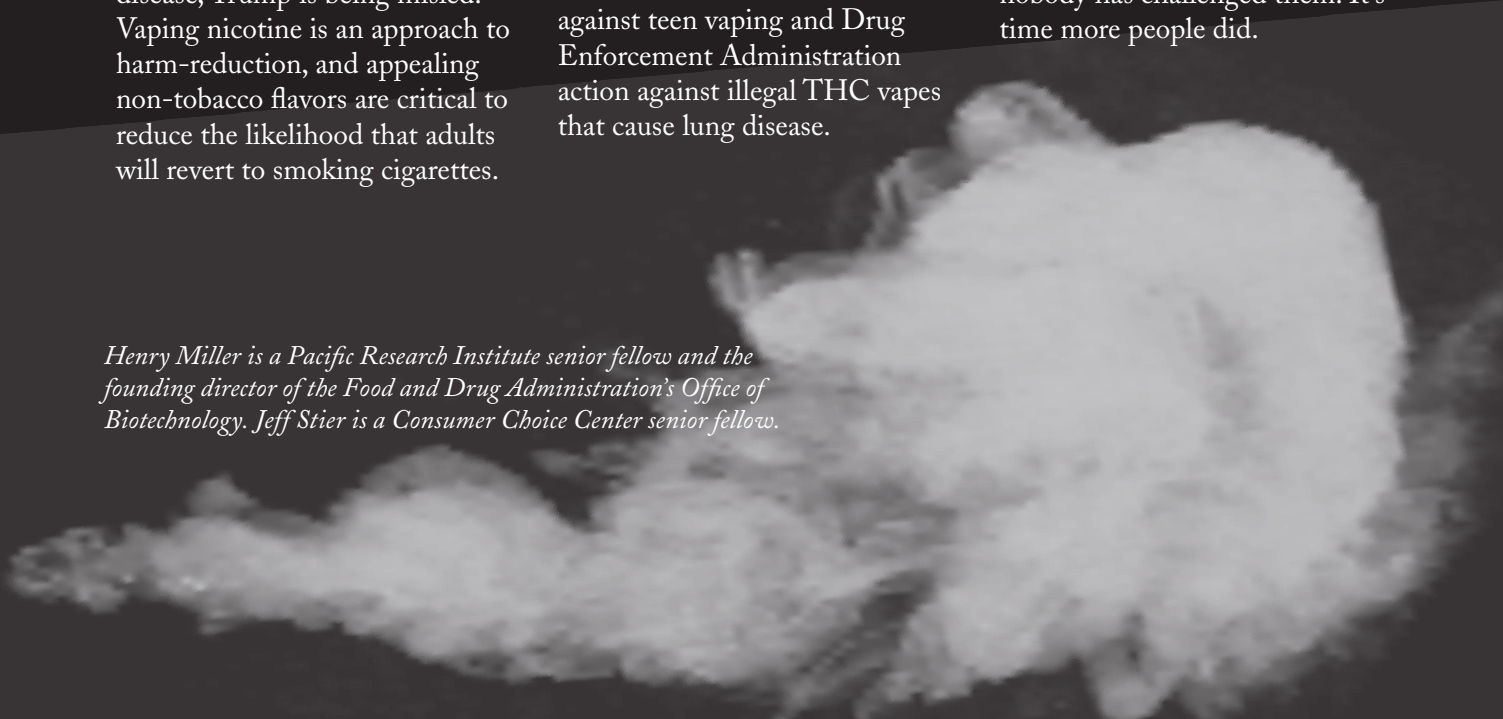
Meanwhile, why are politicians and public health officials behaving so badly? We have a hypothesis: Until now, the most prominent allegations of serious health effects (even for adults) from e-cigarettes were hypotheticals — such as that vaping would be a “gateway” to cigarette smoking — that have failed to materialize.

In fact, teen cigarette-smoking has been declining. Now, with reports of verifiable acute illnesses and even deaths, politicians are brazenly attempting to indict nicotine vaping, even though their case against the practice is without merit.

In a reckless attempt to redeem their credibility in their war on e-cigarettes, they've doubled down on misinformation, disingenuously implying that cannabis-derived oils, home-brewed THC vapes and unadulterated nicotine-containing e-cigarettes all pose the same risks.

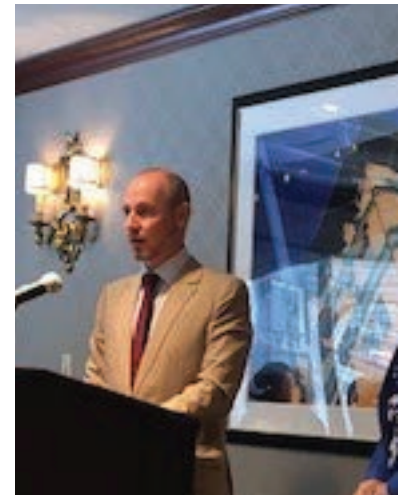
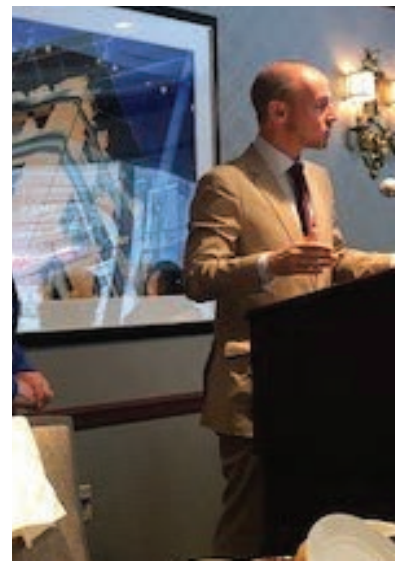
They think they can get away with it because ... well, virtually nobody has challenged them. It's time more people did.

*Henry Miller is a Pacific Research Institute senior fellow and the founding director of the Food and Drug Administration's Office of Biotechnology. Jeff Stier is a Consumer Choice Center senior fellow.*





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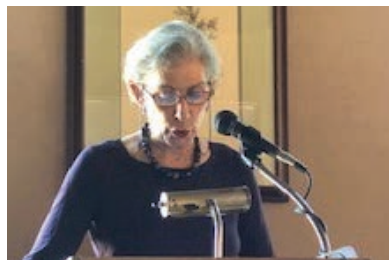
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