



CALPEEK

CALIFORNIA POLITICAL WEEK

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VOL. XXXIII
No. 19

May 23, 2011

CAMPAIGN 2011: HAHN & HUEY HEADED FOR JULY 12TH RUNOFF TO REPLACE HARMAN IN 36TH CD.

Editor's note: With only a 15.4% turnout, this first test of Calif.'s *open primary law* on May 17th didn't end up like most of the pundits and insiders had predicted. The special election was called to replace former U.S. Rep. Jane Harman (D-Torrance), who resigned in February to take a job as head of the Woodrow Wilson Inst. in DC. Here's our analysis & commentary...

...Finishing in 1st place, as expected, was L.A. Councilwoman Janice Hahn with 24.7% of the vote. Most insiders thought that because Demos have a substantial voter registration advantage of 18% over Republicans, that Demo Sec. of State Debra Bowen would finish just behind Hahn. She finished third behind conservative Republican Craig Huey. Huey received 21.9%, while Bowen was at 21.5%...

...As *Calpeek* hit deadline, Huey had a 205 vote edge over Bowen, with about 9,800 ballots uncounted. Of that number 8,416 are vote-by-mail ballots and 1,269 are provisional ballots. So voters in the 36th will have to wait at least another week before this open primary is settled. It is possible Bowen could overtake Huey and end up in a runoff with Hahn – which is the way many insiders had predicted...

...Anti-war/anti-Israel Demo Marcy Winograd got 9.5% to finish fourth. In addition to Huey, there were five other Republicans in the special. Redondo Beach Mayor Mike Gin got 7.8%, Redondo Beach City Atty. Mike Webb received 5.9% and Patrick "Kit" Bobko, a Hermosa Beach councilman, picked up 3.7%...

...Demos describe Huey as a very conservative GOPer, who probably had considerable Tea Party support. The reason Huey did as well as he did is because he used his deep pockets to pump in at least \$500,000 of this own money...

...The contest between Hahn and Bowen got somewhat testy in the final days. Hahn's GOTV/ground operation was probably the reason she finished first. But she also had most of L.A. County's labor support, U.S. Sen. Dianne Feinstein and numerous members of the Demo U.S. House delegation on her side. For some reason Bowen got off to a slow start, but her name ID kept her in the primary. Some sources are hoping for Bowen to pull ahead of Huey, making the runoff very interesting...

...There was another special election runoff in the 4th AD in the

Roseville area. GOPer Beth Gaines won with 55.4% vs. 44.4% for Demo Dennis Campanale. This is heavy GOP turf...

...FYI: another computer screw up at the SOS's office the day after the special. All 16 candidates were listed on the screen with results, but when *Calpeek* printed out, only 10 were listed. Stay tuned...

PART II

CAMPAIGN 2013: WILL DEVELOPER RICK CARUSO FINALLY MAKE THE JUMP AND RUN FOR MAYOR?

Editor's note: *Town Hall Los Angeles* is one of the best speaking platforms in Calif. to break a big story. There's a paying audience of 300-400 downtown L.A. movers & shakers who regularly attend and good news media coverage too. PR professionals beg Town Hall officials to get their clients in front of a TH audience. Well known builder/developer Rick Caruso used his Town Hall speech to stick two toes in the exploratory waters for the 2013 race for L.A. Mayor. Here's our analysis & commentary...

...Caruso was urged to challenge current Mayor Antonio Villaraigosa in 2009, but he declined. Sources don't think he was afraid that Villaraigosa would win, but Caruso wanted the seat to be open, like it will be in 2013. Some of our sources firmly believe that Villaraigosa was vulnerable in 2009...

...Caruso used the speaking platform to go negative against a range of potential rivals, blasting the city council, especially those thinking about running for mayor; the bureaucracy in general; and Mayor Antonio. The first paragraph of the L.A. Times story on May 13th started with a shot at city council leaders, *questioning their intellectual abilities*. Negative may be too tame a word...

...And he accused the council and mayor of imposing high taxes and too many business regulations. Sounds like Caruso took a page from the U.S. House Republican playbook. Caruso is a Republican in a city with strong Demo Party ties. And even though the race is non-partisan, it's not in reality. By election day every voter in L.A. City will know that Caruso is a GOPer with pro-business and anti-regulation beliefs...

...Caruso's criticism was tough and stinging. "They look...to the next fundraiser, the next ribbon-cutting or in many cases tickets to the next sporting event." That last shot was a reference to Villaraigosa's taking free tickets to the Oscars and Lakers games...

...But his best line in the speech was when he was talking about the proposed downtown football stadium. Caruso charged that some council members, “*have a tough time spelling the word football.*” It doesn’t get any better than that. And Caruso also took a special shot at announced candidate Austin Beutner, who has been in charge of the jobs program for Mayor Antonio. The developer downplayed the job creation effort of Beutner...

...In the L.A. Times story, Beutner consultant Sean Clegg replied, “A campaign for mayor is no day at the mall and Angelinos will see past the phony streetscape.” He also called Caruso a “pay-to-play mall developer who gave money to half the city council he’s attacking.” Caruso doesn’t need gifts and contributions. He’s got very deep pockets...

...When this primary really gets going in late 2012, the gloves will come off and only the best funded and strongest candidates will survive. *Calpeek* sources think Caruso will run. Stay tuned...

PRESIDENTIAL POLITICS: HUCKABEE AND TRUMP DROP OUT OF REPUBLICAN PARTY PRIMARIES.

Editor’s note: Former Arkansas Gov. Mike Huckabee announced his decision to quit the race for president on his Sunday FOX channel TV show. Millionaire developer/real estate magnet Donald Trump made his announcement on Monday, May 16th. The field was reduced the week before when MS Gov. Haley Barbour decided to quit. So the field of serious GOP candidates with money or name ID is now down to about 5-7, give or take. Here’s our commentary and analysis...

...The well-known candidates include former MA Gov. Mitt Romney, Indiana Gov. Mitch Daniels, U.S. Rep. Michele Bachmann, former U.S. Sen. Rick Santorum, former MN Gov. Tim Pawlenty, former House Speaker Newt Gingrich and newly announced candidate, U.S. Rep. Ron Paul of TX. Unannounced but looking are former Alaska Gov. Sarah Palin and former Utah Gov. Jon Huntsman. The betting is that Palin won’t run...

☒ *Huckabee Stays at Fox* – Sources were never convinced that former Arkansas Gov. Mike Huckabee was a serious candidate in the GOP primary. He may have had good polling numbers, but his FOX tv show and radio gig gave him an income of about \$500,000 per year, and with book deals and the rubber chicken circuit, Huckabee would earn upwards of \$3-5 million dollars. Why would he give that up for a very IFFY run in the GOP primaries? Was Huckabee a national or a regional candidate – sources aren’t sure. Is his career in politics over? Maybe not. He’d make a good vp candidate, but he does have a downside: social issues in the general election; he’d put various mountain states in play for Pres. Obama because of his anti-Mormon views; and his pardon and parole policy could cause problems...

☒ *Trump Wants TV Stardom, Not the White House* – MSNBC’s *Last Word* host Lawrence O’Donnell had Donald Trump figured out almost from day one. When NBC came up with the contract for the hit NBC-TV show *The Apprentice*, Trump couldn’t refuse. He admitted his passion is in the private sector. But as he exited stage right, he said if he ran, he could

have won both the primary and general. Sources say that’s doubtful and GOP sources and insiders say he was a distraction from the real issues where Pres. Obama could be vulnerable: jobs and the economy. The *birther* stuff Trump was spouting made him look like a buffoon. Well, he’s gone...

☒ *Newt’s In the Primary* – Former GOP House Speaker Newt Gingrich had just announced his candidacy for president and he was immediately attacked and bashed by many Republicans. Although he eventually apologized, Newt went after House Budget Cmt. Chair Paul Ryan on NBC’s *Meet The Press*, saying Ryan’s *Medicare plan was a radical change*. Newt blamed MTP moderator David Gregory for setting him up. *Pul-eeze!!!*

...The big questions facing Gingrich are his three marriages and his support for health care mandates. Adding to Gingrich’s troubles, it was reported that he spent \$500,000 on jewelry for Calista. He refused to answer any questions about this. There’s no doubt that Gingrich views himself as an intellectual giant, but he often times has a bad habit of putting his foot in his mouth. And sometimes he comes off very nasty...

☒ *Huntsman is Gearing Up to Run* – A big story in this week’s *Time* magazine by reporter Melinda Henneberger about former Utah Gov. Jon Huntsman. It’s called **The Cool Kid**. If you’re a Goper, read it, you’ll like it. If you’re a Demo, you might be thinking this is the one Goper who could keep Pres. Obama from a second term. Huntsman is the former Governor of Utah and was Obama’s envoy to China until recently (he speaks Chinese, two dialects). He and his family are moving to the DC area. He has started to assemble his team. Sources expect an announcement next month. Money isn’t a problem. His family is loaded. His team now includes some of Gov. Arnold team: Matt Connelly, Matt David and former deputy COS Jake Suski. John Weaver is the overall campaign leader. And Huntsman has hired Richard Quinn as his South Carolina consultant. Sources say Quinn has no rival in SC. FYI: Huntsman and Romney are distant cousins. Stay tuned...

BUDGET WARS: \$6.6 BILLION MORE IN REVENUES CUTS RED INK TO \$9.6 BILLION DOLLARS.

Editor’s note: Just because of the additional revenue from income taxes, one would think that Gov. Jerry Brown would want to scale back his tax extension proposal, but that’s not the case. He wants his extension proposal to stay in place, despite protests from Calif. GOP Lawmakers. Here’s our very short analysis & commentary...

...Senate GOP Leader Bob Dutton of Diamond Bar said in part, “We don’t need, and it’s ridiculous to ask voters for, five years of new taxes.” This quote from a Sacto BEE story by Kevin Yamamura...

...Of the \$6.6 billion dollars that are now in play, the biggest chunk (\$3 billion dollars) Gov. Brown plans to give to schools. The revenue surge cuts the deficit from \$15 billion dollars down to about \$9.6 billion dollars. But according to

Gov. Brown, that amount is not enough to pull Calif. out of the red. Brown's plan to extend taxes on income, cars (VLF) and sales is still in play, but it's going to be more difficult to get GOP lawmakers and even voters to go along with his idea. One *Calpeek* source suggested that the \$6.6 billion in new revenue is LOW. There may be much more revenue that comes in...

...This story is very fluid and changes every 24 hours. We'll leave this analysis and see what happens next week. Stay tuned...

PART II: CITY OF VERNON VS. SPEAKER PEREZ.

Editor's note: The huge, but under-publicized battle between Assembly Speaker John "Big Daddy" Perez(D) and the City of Vernon in Southeast L.A. County, has moved to the State Senate, but no policy committee has been named to hear Perez's **AB 46** – a bill that would disincorporate the City of Vernon, population about 113 people, but with \$4.5 billion dollars in economic output and employs 111,620 workers in Calif. Here's our commentary and analysis in Part II of our story of this battle...

...As noted in last week's *Calpeek*, Speaker Perez's bill passed the Assembly on a lopsided vote of 62-5. Now a number of GOP lawmakers who voted with Perez, are having second thoughts. Assemblymember Shannon Grove(-32nd AD) and nine other lawmakers wrote a letter to Perez asking him to reconsider or amend his bill. "Your bill jeopardizes the businesses of Vernon and the jobs they provide. Calif. is at war against private sector jobs. Your bill is further proof of State government's disdain for private business and the jobs those businesses create." Strong words and Grove hit the bullseye. He may be correct in his belief that Vernon businesses would hit the road if AB 46 were approved...

...Perez is coming under pressure from a variety of sources, including labor leader Maria Elena Durazo, head of the L.A. County Federation of Labor. She's opposed to AB 46. The L.A. Chamber of Commerce is also supporting Vernon in its battle...

...Sources in Sacramento say Perez has amended his bill and has promised to maintain low energy rates, continue with low taxes and fees, no changes in land use laws and continued support for Vernon's public safety departments. Whether these amendments will satisfy Vernon City officials is unknown. Vernon has a legal opinion that says AB 46 is unconstitutional...

...Former Calif. AG John Van de Kamp was hired by Vernon to help the city make some reforms. He says the city is **not** full of corruption. As one source told *Calpeek* about Vernon: "It's goal is promote all kinds of business except fertilizer." Vernon isn't the only small city in this area: the City of Industry and Commerce also have small populations. In 2008, Vernon was voted the most business friendly city in L.A. County...

...And while this may be an uphill fight, don't think for a minute that Vernon is defenseless. The Vernon Chamber of Commerce has hired the pa/pr/govt. affairs firm of Englander, Knabe & Allen. The city has hired pr guru Fred MacFarlane. The Sacto lobbying firm of Nielsen Merksamer is also aboard to

handle legal /lobbying business...

...When AB 46 won approval in the lower house, the bill had only one public hearing. That's unusual. The bill has not been assigned to a committee for hearings, but the best bet is that it goes to either the G.O. committee or the Local Govt. committee...

...FYI: in last week's *Calpeek* we referred to Perez as "Big Daddy" after the late Speaker Jess Unruh. One of our readers said that in a discussion with Perez back in mid-March he sounded more like King George addressing the Colonists. Stay tuned...

DIVORCE CALIF. STYLE: GOV. ARNOLD FATHERED A CHILD WITH HOUSE STAFFER BEFORE 2003.

Editor's note: Sources thought there might be more than the original announcement last week that Arnold Schwarzenegger and his wife of 25 years, Maria Shriver, had separated and she had moved into a hotel. It's not a happy story and sources are betting that the two will eventually divorce. Here's our commentary and analysis...

...More recent stories broke early Tuesday, March 17th, in many newspapers, on the internet and on tv. It is about Mildred Patricia Baena (aka Patty) who worked in the couple's Brentwood home for more than 20 years and retired in January, according to a Mar. 18th Huffington Post story. Schwarzenegger told his wife about fathering a son with Patty, but only after he left office and that's when Maria moved out...

...The former Calif. governor issued a statement saying in part, "I understand and deserve the feelings of anger and disappointment among my friends and family. There are no excuses and I take full responsibility for the hurt I have caused. I have apologized to Maria, my children and my family. I am truly sorry." No comment from Shriver. Arnold has taken financial responsibility for his son, whom sources think is about 14-years-old. And the odds that this affair was a one-night fling seem remote, according to *Calpeek* sources...

...For *Calpeek* readers with short memories, during the 2003 recall of Gray Davis(D), rumors about Schwarzenegger's crude behavior and groping women on movie sets were first reported in the L.A. Times and then other media. There was an AP story on Oct. 2, 2003 by Jim Wasserman that had this headline: *Women Claim Schwarzenegger Groped Them*...

...The immediate reaction from *Team Arnold* was that this was a smear by Democrats battling the recall. Shriver went to bat for her husband and that put the story to rest – at least temporarily. There were more stories, but readers get the idea...

...Where does this story end? Probably in a divorce. In today's (5/17) L.A. Times story, it quotes friends as saying Shriver had been unhappy for years, but decided to remain in the marriage until her parents passed on and until Schwar-

zenegger finished his term as governor. Right now Arnold's reputation is *toast*. So the storybook beginning has a sad ending. Stay tuned...

CALPEEK'S INFOBAHN: ODDS & ENDS IN POLITICS

Editor's note: here are some stories worth noting...

⌘ ***L.A. Co. DA Cooley to Retire; Backs Lacey*** – The worst kept secret in L.A. County is that three-term L.A. Co. DA Steve Cooley will not seek reelection. And in a letter to his supporters, Cooley said he's backing his Chief Deputy, Jackie Lacey. If elected, Lacey would be the first black and first woman elected as L.A. Co. DA. **Calpeek** will write a more detailed analysis next week...

⌘ ***Judge Edward Chen Confirmed to U.S. District Court*** – It took Judge Chen 20 months to be confirmed, but on a 56-42 vote, the U.S. Senate finally confirmed Chen on May 10th. U.S. Sen. Dianne Feinstein(D-CA) had recommended Chen to Pres. Obama and when the vote was final, Calif.'s senior U.S. Senator sent out an 8 page news release. Sources think she was really POed that her GOP colleagues for holding up the nomination for such a long time...

⌘ ***Dream Act Reintroduced in U.S. Senate*** – In case you missed it, the Demos in the U.S. Senate on May 11th reintroduced the Dream Act, which stands for **Development, Relief and Education for Alien Minors**. U.S. Sen. Barbara Boxer has joined forces with Majority Leader Harry Reid, Asst. Majority Leader Dick Durbin and 29 other colleagues...

...A similar bill has been introduced in the U.S. House by Foreign Relations Committee Chair Ileana Ros-Lehtinen of Florida and the committee's ranking member, U.S. Rep. Howard Ber-
man...

⌘ ***Ramos Gets a Boost from Bill Leonard*** – James Ramos has been endorsed by former BOE member Bill Leonard in San Bernardino's 3rd District, now held by incumbent Neil Derry, who was recently charged by the San Bernardino DA with one felony count of perjury, one felony count of filing a false record and one misdemeanor count of failing to report a campaign contribution. Derry has said he's not going to resign and will fight the charges...

...In the meantime, viewers in the L.A. media market, including the Inland Empire, have probably seen those TV ads promoting the San Manuel Band of Mission Indians. Ramos is the chair of this tribe and is seen and heard in some of those ads. He's not promoting his candidacy in these ads, but it probably doesn't hurt in terms of boosting his name ID...

⌘ ***High-Speed Rail Under Siege*** – In the middle of last week, the Legislative Analyst's Office ripped the 800-mile L.A. to the Bay area high speed rail project. The report found numerous problems including unrealistic funding assumptions, too many consultants, a poor business plan and outdated cost estimates. A key part of the LAO's report recommended that the High-Speed Rail Authority should be stripped of day-to-day management and instead the \$9 billion dollar project should be handed over

to the Calif. Dept. of Transportation (CalTrans). And there's still major in-fighting over routes...

...The Los Angeles Times in their May 16th lead editorial joined the fight on the side of the LAO. The headline read: **High-Speed Train Wreck**. Subhead: Poor planning, mismanagement and political interference threaten the state's rail project...

...Prop. 1-A was approved by voters in 2008. Money to build the project isn't the problem. The LAT editorial put the blame on the Rail Authority. The board isn't that experienced and it was appointed by the governor and the CA Legislature. What does that tell you? Stay tuned...

CALPEEK'S NEW JOBS & PERSONNEL NOTICES

Editor's note: Here are some items you might want to take note of. We've got a ton of these announcements...

❑ A sad note: Mayor Omar Ahmad of San Carlos died May 10th of a heart attack. He was 46. He was elected to the city council in 2007 and was picked to be mayor last November. R.I.P...

❑ Another sad note: former Demo Assemblyman and Cerritos College Board of Trustees member Bob Epple died April 13th after a protracted battle with leukemia. He was 62. R.I.P...

❑ CCOF, an organic certifier and trade association, has hired Cathy Calfo as its new executive director...

❑ Mark Bogetich has relocated his Sacramento office to 1415 'L' Street, #1260, Sacto 95814. (916)476-6647. Bogetich also has opened an office in Austin, TX at 311 W. 5th Street, #1001, Austin 78701. Email mark@mbpublicaffairs.com...

❑ Billy Gatlin is the new executive VP for the Calif. Cattle-men's Assn. He was most recently deputy director of the Assembly Republican Caucus...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

May 24	Special election to fill NY's 26 th CD vacated by former Congressman Chris Lee(R).
June 1-2	2011 Business Summit in Sacramento, sponsored by the Calif. Chamber.
June 7	New Hampshire Union-Leader, WMUR-TV and CNN host a GOP presidential debate, Manchester, NW
June 16-18	2011 Republicans Leadership Conf. and Reagan Centennial celebration, New Orleans