POWER TALK

Volume V, No. 2
February 2019 Edition

Political Theater (With Enormous Possible Downstream Consequences)

James W. Guthrie

America's political dissidents may have been afforded a Valentine's Day gift. Starbucks Coffee founder and President, Howard Schultz, has stated publicly he is considering a 2020 third party run for the U.S. Presidency. His success in business, vast visibility, enormous private wealth, and substantial personal poise render him a viable candidate, one Republican and Democratic Party opponents will have to take seriously. He will be a third-party candidate with a better chance of success than any predecessor since the 19th Century.

Shultz is media savvy. He used America's most venerated and widely watched TV news program, *60 Minutes*, to make his announcement. However, regardless of how strategic he is, the odds are heavily against him. Schultz has no prior electoral experience and is likely not well-informed regarding international matters. Then again, Trump was the same. However, Schultz is a Jew and probably will evoke the antisemitism that lurks submerged in the dark corners of the American soul.

Most readers will realize that the 20th- and 21st-century history of third-party candidates for the U.S. presidency is not a success story. Usually, at best, they have turned out to be spoilers, taking votes away either from mainline Republicans or Democrats.

Howard Schultz might prove to be an exception. Currently, prominent presidential candidates are shoving the Democratic Party far to the left. President Trump's incessant petulance and compulsive tweeting is alienating many Republicans. Thus, there might actually be a way for Howard Schultz to elbow his way into the race. From his public statements, he appears to have propelled his massive wealth toward a productive third-party path, doing the substantial legal work needed to be on the ballot in 50 states. If he in fact has accomplished this expensive and complicated objective, it testifies to his organizational ability

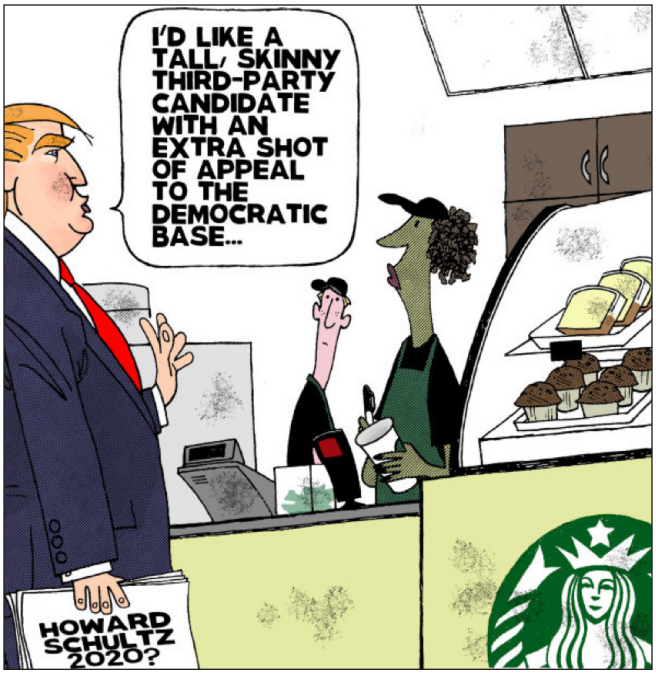
Howard Schultz

and capacity for applying his wealth in a productive manner.

The last time a third-party candidate rose seriously to the surface was in 1992 when H. Ross Perot entered the race and effectively knocked George Herbert Walker Bush out of what seemed like a predestined second term. Bill Clinton was the winner in that instance.

If Howard Schultz joins the race, his candidacy has the high prospect of denying Democratic and Republican candidates an Electoral College majority. What happens in such an instance? The answer is rather surprising. It is the Constitution's 25th Amendment that sets the rules. These rules do not seem fair and could lead to remarkably awkward downstream consequences.

In the absence of a clearer Electoral College majority favoring any candidate, an election defaults to the House; but not in a way that one might imagine. Rather than the 435 congressional delegates being able to cast a ballot for whomever they want, they can only cast a ballot within their state congressional delegation. Under 25th Amendment rules, each state gets one vote for a presidential candidate. That means the seven states with the smallest population, and only one congressional candidate, have an equal vote with California, Texas, Florida, and New York, states with huge delegations. Alaska or Delaware, with fewer voters than many California counties,



will have a voice equal to all of California. Not fair, but that presently is the law.

Republicans currently hold congressional delegate dominance in 32 states. Democrats are dominant in 17. There currently is one state that is tied. These conditions would seem to give a Republican candidate a leg up in a House selection. However, elected representatives are under no obligation to vote for someone from their party. Indeed, they do not even have to vote for any one of the candidates on the ballot. Should they want, they could vote for Alfred E Neuman. Whichever way they vote, and whatever deals are made, it would not lead to a happy outcome for Howard Schultz or anyone else in his position.

We could have a president who did not receive a majority of the popular vote, gained no Electoral College majority, and who was not even popular in or known to Congress. The individual would have little popular legitimacy, rendering it difficult to govern. He or she would continually need to cut deals with one party or the other in order to get anything done. Our government would look more like a parliamentary system than its current complexion. Probably the rules regarding presidential succession should be altered, but that is unlikely in the next several years.

This unlikely but highly possible scenario is made for the mass media. We will all be glued to our TV sets, anxiously awaiting the next scenario. God help our nation!

Residents' Informational Rights

James W. Guthrie

On Thursday morning, February 21, SFT residents will convene for the semi annual meeting at which Covia officials preview forthcoming annual fee increases. Mark your calendars. However, in the past these public explanations have not led to great understanding. Here is some background.

A mutual friend introduced me to former U.S. Secretary of Labor and Secretary of State and retired Bechtel Corporation President, George P. Schultz. He and his wife, Charlotte Malliard, reside in a nearby San Francisco apartment.

In this setting, I had an opportunity to discuss the controversies swirling around the administration of Covia, i.e., the lawsuit brought by Bishop Marc Andrus on behalf of the Episcopal Diocese intended to restore the *ex ante* condition prior to Covia's unilateral termination of its historic relationship with the Church.

Even if close to being a centenarian, Secretary Schultz was easily able to stay with the conversation's complexity. He said:

> *You may have governance issues. It is possible that Covia's Board is neglecting its fiduciary responsibilities.*

To the extent that actions such as church severance, managerial arrogance, budgetary misfeasance, and opaque financial transactions have occurred or are recurring, they are the responsibility of the ESC/ COVIA Board of Directors.

Schultz's explanations and reaffirmations motivated me to learn more about Covia's Board of Directors. This task is challenging. Covia's website is woefully lacking in detail. Information assembled from other sources suggests that each of the ten members of this self-perpetuating governing body is qualified by virtue of experience to serve on the board of a complicated charitable organization.

A non-profit's board is its central decision-making agency. It is a fiduciary body and has ultimate responsibility for the organization's well-being. Such a fiduciary board has three fundamental duties: a duty of care, a duty of loyalty, and duty of obedience.

"Loyalty" requires board members to operate in the interest of the nonprofit agency and not use their formal position for personal benefit or to pursue a personal agenda.

"Obedience" requires a board to know state and federal laws and regulations that apply. This includes regulations and guidelines issued by the IRS, and other federal and state, and municipal legislative, administrative, and judicial bodies.

A duty of "Care" means a board member must actively participate, attend board meetings, be educated regarding the industry, provide strategic direction, and oversee management.

Many Covia actions seem mysterious. As SFT residents, we get little feedback from or about Covia Directors and their decisions. Why did the organization attempt, unilaterally, to separate itself from the Episcopal Church and thereby trigger an extensive and expensive lawsuit? What is the justification for establishing a budget target for net-operating margin (NOM-profit) and using these revenues as a component in resident fee calculations? There is no statutory reference to NOM as an allowable fee calculation component. Why has the Board permitted management to pursue outside charitable activities, oblique to the organization's principal mission?

If Covia actions appear opaque, there are ways by which residents can, nevertheless become better informed. Under California statute, representatives of the Resident Council can request and must be provided with documents related to Board decisions.

For example, if duly authorized resident representatives, the President of the Council, and the Board liaison, request documents pertaining to the unilateral church separation, annual fee calculation, and other current mysteries, SFT residents as clients or customers might have a far better understanding of what is taking place and a more solid base from which either to approve or disapprove of Covia's direction.

New Ferries on the Bay

Anne M. Turner

It was hard to miss the Chronicle's excited stories recently about how ferry service on the Bay is about to improve. In December it was a report on the $73 million project to expand the Embarcadero ferry docking facilities so service can be added to new ports. In January, a new terminal in Richmond opened with front-page coverage. Six cross-bay trips per day have begun. That number will increase to meet demand and with final permitting approval.

Probably the most interesting thing about the new Richmond service is the switch to catamarans from the current clunky single hull ferries. A modern powered catamaran has two parallel hulls spanned by a superstructure for the operating engines, the

Old time double-ended SF Bay ferries.

crew, and the cargo; e.g., the passengers. Catamarans are increasingly popular because they are fast, have a shallow draft, and are stable cheaper to operate. And they are not just used to transport people. Norway uses catamarans for driver/car ferry services. The United States Navy uses them for high-speed transport of military cargo because they are fast and their slim draft enables them to get into shallow ports. Cargo catamarans have built in ramps so the cars or whatever can be rolled on and off, thereby reducing the number of crew required loading and unloading.

Back in the pre-bridge days, the only way to get across the Bay was by ferry. When serious ferry service began in the 1860's and 1870's it was the railroads (Southern Pacific, Central Pacific, Santa Fe, etc.) that built and operated nearly 70% of the ferries plying Bay waters. This made economic sense to the Big Four (Huntington, Crocker, Stanford, and Hopkins); having transported cargo and passengers all the way across the country on their new transcontinental railroad, they couldn't very well abandon them on the beach in Oakland. They were also building lots of little railway lines connecting small East Bay communities. A passenger headed for San Francisco or down to Alameda could connect the train journey with a ferryboat ride.

Actually, ferry service did not begin on the Bay. It started on the Sacramento River, transporting gold seekers and supplies from San Francisco to Sacramento. When Bay service began, the form and function of the vessels developed quickly, going through phases from paddle wheel locomotion to steam engines as technology advanced. It was not until after the turn of the century that construction of ferryboats took place in the Bay Area. Prior to that ferries were imported from Portland or purchased on the East Coast and, incredibly, sailed around Cape Horn and up the coast to San Francisco.

These days we have three ferry services. One, the Blue & Gold Fleet, is privately owned and is primarily a tourist operation. It offers Bay cruises and trips to Alcatraz and Angel Island plus some scheduled commuter runs. The other two are regional, government sponsored entities relying on tax money to subsidize what they collect in fares. The Golden Gate Ferry is operated by the Golden Gate Bridge, Highway, and Transportation District, providing commuter service between San Francisco, Sausalito, and Larkspur. It has seven vessels and serves about 9,000 riders per weekday.

The San Francisco Bay Area Water Emergency Transportation Authority (WETA) operates the ferries that link Downtown San Francisco, the East Bay, and the Peninsula. Only 20% to 30% of WETA's budget comes from ticket sales. Its other job is to coordinate the water transit response to regional emergencies. If the whole east side of San Francisco had to be evacuated, it certainly wouldn't work to rely exclusively on the Bay Bridge. WETA has 14 vessels serving six routes from nine terminals, and roughly 10,000 riders per day. Its 20-year strategic plan calls for 44 ferryboats serving 12 routes from 16 terminals. WETA is using grant funds and toll revenues to contract for a new 300-passenger high-speed ferry, which will also have the capacity for 35 bicycles.

But there is a negative to ferry commuting that journalists are failing to report: parking. It is all very well to urge people off the bridges and on to ferryboats, but how do they get to the terminal and what do they do with their cars if they have driven there? Only one existing ferry terminal offers serious parking. Golden Gate Ferry's Larkspur terminal has a lot with 1,500 spaces plus additional slots for carpools and the disabled. Some of the terminals have shuttle bus service from other transportation (BART, other buses or trains) or remote lots. Apparently that will have to be the long-term solution—precious bayside land cannot be wasted on parked automobiles.

Every one of us who grew up in or near San Francisco has pleasant memories of the old ferry system. I remember that when I was a little girl my Dad took me from Oakland to San Francisco on a ferry. We stood at the rail of the boat watching the water and then walked through the Ferry Building that was, as I recall, cold and wet. My, how times have changed.

Flu Facts

Mel Chietlin MD

We are still in the midst of the influenza season. Influenza is a dangerous disease, especially at our age.

So, how do you know whether you just have a bad cold or the flu? There are a few things that can help you recognize if it is flu.

- Flu usually starts suddenly. One minute you are fine, minutes later it hits you. You start to feel terrible. You feel wiped out. A viral cold begins gradually, taking days to develop.
- Fever: With a cold you may develop a fever, usually low-grade, 99–100 °F. With flu, the fever is higher, at least 101 °F.
- Flu frequently is accompanied with chills and body aches, with total body fatigue such that you can hardly get out of bed. Even with a bad cold, you frequently get up and soldier on.
- With a cold you can have congestion and a cough. With the flu, there could be long fits of coughing and even trouble breathing.

So if you feel terrible, have a high fever, severe, persistent cough, or feel short of breath, assume that it may be flu and get down to see the nursing service right away. If caught within a few days of onset, there are antiviral medications such as Tamiflu that can significantly shorten the course of the disease.

But, importantly: Get your flu shot.

Entres Nous

Sugar Caen

Austin and Van Ness live in SFT 1501. They argue, and sometimes it is informative to listen.

Aus: What an exciting weekend. Imagine, Starbuck's founder, Howard Schultz, says he's running for President. At last someone with good ideas, a civil tongue, and faultless integrity.

Van: I wish you would screw your head on straight. This guy will probably have a nanosecond political shelf life. Here's another gazillionaire trying to buy another fifteen minutes of fame. Besides, he has never before held any public office, not even dogcatcher.

Aus: Give me a break. How many prior elections did Trump win? He was never a dogcatcher either. Schultz is an ideal candidate. He's smart, self-made, and dead set against increasing the about-to-be-crippling national debt. You always tell me that the national debt will eventually sink America. I would think you would love him. What's not to like?

Van: America does not now and probably never again will have the political will to reduce the national debt. There are already too many voters suckling the government teat. We have become too flabby, too dependent upon mommy government, and Democratic Presidential candidates like Bernie, Kamala, and Pocahontas want to give away even more "free stuff." It's hopeless. Good-bye America.

Aus: That's way too cynical. Bill Clinton was a Democrat and he hugely reduced the national debt. Why can't Howard Shultz do the same?

Van: Given today's political reality, there is only one path to reducing the national debt. Schultz rightly rails against the drunken spending spree propelled by both parties. On that count, he is absolutely right. When it comes to doing anything about it, I doubt he has a clue.

Aus: How can you say that? He wants to reduce the national debt, he wants to straighten out medical care, he wants to restrain defense spending, he wants to make friends with countries that we are now alienating; it seems to me he's on the right track at every turn.

Van: His route to dampening debt is also the path to political suicide. Social Security, veterans benefits, Medicare and Medicaid, food stamps, housing subsidies, farm subsidies, are all politically sacrosanct. Even to bring up "entitlements" as an issue is to bump the third rail and die. He will not successfully cut any of these benefits.

Aus: He does not have to cut those benefits in order to balance the budget. All he has to do is rein in the Pentagon. And raise taxes on the super rich.

Van: Wrong! Adjusted for inflation, Pentagon spending has not increased all that much. We spend a lot more on public schools than we do on defense. Besides, to cut defense is to cut thousands of jobs, and to cut thousands of jobs is to go to your political grave. Tax the super rich all you want, they will always find a way to hide their wealth, and even if they fail at that, there are not enough of them to make a difference. I know Bezos, Buffett, and Gates command the headlines, but trust me, when you do the math you cannot squeeze enough out of them to reduce the national debt.

Aus: OK Mr. Genius! What is the answer to cutting the national debt?

Van: Federal beneficiaries currently are politically so influential that their benefits are virtually untouchable. The only way to cut the national debt is to grow the economy. If one set a target of reducing the debt by $1 trillion a year, for the next 10 or 15 years, and if the economy would grow at 4% or more, then we could set that amount aside in an Al Gore "Lock Box" and reduce the debt each year. That way political factions could be bought off and we would have excess revenues for debt reduction.

Aus: How do we get the economy to 4%? What about taxes on the super rich?

Van: You do not boost the economy by raising taxes. You can tax Bezos, Gates, Buffet, and all the other celebrities as much as 50%, 60%, or 70%, and you still will not raise very much money. The big money would be on raising the taxes for the 50% of U. S. households who presently pay no federal taxes whatsoever.

Aus: Your mother was Jewish. Don't you think it is exciting that Schultz could be our first Jewish president?

Van: Even if that were a valid criterion, I would far prefer Michael Bloomberg to Howard Schultz. However, I am tired of identity politics. Kennedy was our first Catholic President. What did that get us; he came close to nuclear annihilation for us. Obama was our first African-American President, what did that get us, nothing but more debt, more regulation, continued war, and less hope.

Aus: You are impossible.

Van: I agree. It must be awful living with someone who is right all the time.

"I'd let you talk more, but you're not as interesting as me."

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