

Unhealthy Union

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Could there be a secret deal with Arnold on health care that will inflate union rolls?

By [Matt Smith](#) Wednesday, Dec 12 2007

Rarely do I find myself wishing the best for a journalistic competitor. But I'm hoping that an early obituary on California health care reform, run inside the B section of last Wednesday's *San Francisco Chronicle*, ends up being spot-on.

That's because if legislating is akin to making sausage, the ongoing health care reform negotiations among Governor Arnold Schwarzenegger, Democratic state legislators, labor unions, insurance companies, business lobbyists, and other Sacramento meat-packing types seemed poised to produce a legislative version of unappetizing chopped offal.

A power struggle inside the California state council of the powerful Service Employees International Union (SEIU) seems to hint at just how far negotiations may have drifted away from the goal of obtaining quality, affordable healthcare for all Californians, and toward an unappetizing mishmash of special-interest sops.

Longtime San Francisco Democratic activist Sal Rosselli, head of the 140,000-member UHW West SEIU, the union's northern California health care industry local, announced last week that he'd leave his post as president of SEIU's state council as a result of what he characterized as an internal palace coup over the issue of health care reform. Rosselli has recently clashed with national SEIU boss Andy Stern over how far the union should go in pursuing Stern's preferred strategy of appeasing industry groups in exchange for allowing the unions to add new members more easily.

Rosselli earlier this year came under fire for opposing a Stern-backed deal, whereby the SEIU could add members at certain nursing home chains as long as the union agreed to give away rights such as the ability to complain to regulators when nursing home practices endangered patients' health.

In the current scuffle, Rosselli has locked horns with Stern's California proxy, Tyrone Freeman, head of the SEIU's Southern California-based United Long Term Care Workers' Union, over whether or not to support Schwarzenegger's version of health care reform — a version critics call a concession to insurance companies and other industry groups.

The two union rivals last week waged a public battle of words on a *Sacramento Bee* politics blog, in the form of dueling public letters to Stern. In the letters, Rosselli staked out a position from the left opposing a Schwarzenegger proposal that critics say does more to preserve insurance and pharmaceutical companies' profits than to provide universal health care to poor Californians. Freeman, meanwhile, argued for supporting Schwarzenegger's proposal in the name of "pragmatism" — without specifying what the ultimate pragmatic payoff would be.

Health care reform, Rosselli wrote last Monday, should include "a definition of the basic benefits that people must receive at a price they can afford ... benefits that should include doctors' visits, preventative care, hospitalization, and prescription drugs ... cost controls which include bulk purchasing of prescription drugs, a public insurer to compete with private insurance, preventative medicine, and more information on cost and quality," thus outlining objections liberal groups have voiced against Schwarzenegger's proposal

for a \$14 billion health care reform package.

The next day, Freeman fired back, touting his boss's famed strategy of cutting deals with, rather than confronting, industry groups.

"SEIU International has rightly recognized that old methods and tactics don't work — that we are facing a new day that requires, not compromise, but a different type of dialogue, where approaches are no longer strictly adversarial, but, in contrast, seek to find common ground. This isn't acquiescence, it's pragmatism, and it's the road to opening doors, where for years they've been closed," Freeman wrote.

Left missing from this airing of internal SEIU dirty laundry was an answer to the question of what exactly is inside the "door-opening pragmatism" that Stern and Schwarzenegger have apparently agreed to.

Union insiders, however, have told me an answer may lie inside what would seem to be an unrelated piece of legislation Schwarzenegger vetoed in October. Assembly Bill 1164 would have allowed SEIU to bring into its membership rolls some 100,000 Californians who operate day-care services for children from their homes, by setting up a state government bargaining entity.

"You start following the bread crumbs, and knowing how the governor wants a health care plan, and how much the SEIU wants to get its tentacles into the child-care arena, and it all just made sense," said a lobbyist who had opposed the SEIU's child-care bill.

Dan Reeves, chief of staff to Assembly member Kevin De Leon, the SEIU child-care bill's chief sponsor, said a version of the bill will likely be reintroduced next spring.

So if the governor and Sacramento Democrats somehow pull a health care– reform rabbit out of the hat during the next couple of weeks — bolstered by SEIU backing of Schwarzenegger's proposals — organized-labor insiders tell me they'll be on the lookout for a possible governor's signature on a bill next spring to add 100,000 child care workers to union rolls.

Would the SEIU really trade away the chance for meaningful California health care reform in exchange for more union members?

In sausage-factory Sacramento, it's possible.

Cruising south of Tasmania, heading toward a planned clash in Antarctica with Japanese whalers, legendary environmental vigilante Paul Watson recounts a supposed victory in his years-long campaign to battle brigandage on the high seas.

"I think they backed down in the Galápagos because of our involvement. We don't know what their intentions are now. But I don't see them doing their plan for some time," said Watson, founder of Sea Shepherd Conservation Society, the organization famed for obstructing whalers by ramming their ships. "We just told them we were going to obstruct their operations if they showed up."

Sea Shepherd's most recent skirmish, however, didn't involve Watson's usual nemesis, Japanese factory whaling ships that flout international catch limits. Instead, Watson has taken on a new adversary: a Foster City entrepreneur who seeks to make money from the global market in carbon dioxide (CO₂) offsets — a line of business whereby companies and individuals can buy forgiveness for their part in global warming.

Last month, Watson's group said it would "obstruct" *Weatherbird II*, a ship operated by Foster City's Russ George.

In Sea Shepherd's previous clashes with whaling ships, "obstruct" has meant blocking, boarding, putting crew under citizen's arrest, and otherwise making life difficult for anyone Watson sees as violating

international law.

Watson's organization plans on monitoring the *Weatherbird II* as it steams around the globe seeking to buy iron filings, which it then dumps into the ocean.

Despite Watson's legendary fierceness, he's in for a real fight with George, a man with the same boundless determination as Watson.

This kind of arrangement — where polluters pay companies that promise to reduce CO2 in the environment — has grown into an entire industry that is notorious as a free-for-all zone. That's because there's little concrete evidence backing claims that money spent on CO2 credits will counteract a specific amount of greenhouse gas. George has become a standout in this dubious industry by devising a carbon-reduction scheme that environmentalists say will do more harm than good.

(George hadn't responded to telephone and e-mail inquiries by press time.)

Iron dust is a nutrient for plankton, tiny creatures that absorb CO2, a greenhouse gas that contributes to global warming. Dumping iron filings and dust into certain spots in the ocean could cause plankton to proliferate in the same way that dumping phosphate detergent in a stream might spur algae growth. George has set up a Web site allowing the CO2 emissions of a large SUV to be "zeroed" for \$50 for one year.

But just as no ecologist would empty boxes of Tide into the Russian River, the U.S. Environmental Protection Agency, the World Wildlife Fund, and the U.N.-chartered International Maritime Organization, along with other environmental groups, have expressed skepticism about George's plan to spawn plankton by dumping iron filings.

Despite the criticism, the *Weatherbird II* set sail in November toward a secret destination. Sea Shepherd members found the boat docked in the Bahamas.

"As far as I'm concerned, it's a big snake-oil scheme," Watson said, referring to George's iron-dumping plan. "We have three ships, one here [heading toward Antarctica], one in the Atlantic, one in the Pacific. We're monitoring what they're doing. We can prevent them from doing that. We don't go into our strategies, but they're well aware that we can do that," said Watson, speaking by satellite phone.

While George's iron-dust scheme has made him an international environmental pariah, he's also dogged by critics of his other, unrelated business investments into schemes to produce energy through low-temperature nuclear fusion. It seems George has made a specialty of making outsized claims based on controversial science, and then weathering the storm of criticism that ensues in hopes of making a profit.

Steve Krivit, editor of *New Energy Times*, a Web magazine that follows the field of low-energy nuclear reaction (also known as cold fusion) research, has for the past couple of years chronicled the activities of George and a company he started called D2Fusion, Inc. Krivit says that much like the Planktos CO2 credit sales scheme, the scent of dubiousness has followed George into the arena of cold fusion.

In 1989, researchers in Utah declared they had achieved energy-producing nuclear fusion at room temperature in a jar of water. If true, this would have revolutionized the global economy by creating electricity nearly for free. It wasn't true. Other scientists discovered that flawed experimental and measurement techniques had resulted in exaggerated readings, which falsely suggested energy-producing fusion had taken place.

The result was that the field of low-temperature nuclear fusion research became discredited in the public mind. But a smattering of researchers around the world continued to study the phenomenon, a field of

inquiry Krivit chronicles on www.newenergytimes.com.

Of particular interest to Krivit has been D2Fusion, Inc. According to the company's Web site and financial filings, D2Fusion seeks investors for a "targeted product development program to deliver proprietary solid-state energy technologies for entry-level heat and power sources."

"The overall situation with D2Fusion seems to be a significant inflation of their scientific developments," said Krivit. "And, of course, they're asking the public to buy their stock. So this becomes a very delicate matter." (George also did not respond to an e-mail requesting comment on Krivit's criticism of D2Fusion.)

Could George prove to be Watson's Moby Dick?

"I think Watson is in for a longer ride than he realizes. I don't think he knows Russ George well enough. George is an incredibly creative man. I'm extremely impressed with how creative and determined he is when he wants to accomplish something," Krivit said.

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