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November 20, 2006

Assembly Speaker Fabian Núñez
State Capitol Building
Room 219
Sacramento, California 95814

Dear Speaker Núñez:

We urge you to give back the \$4 million that you received the day of the election from the California Democratic Party. As you know, you could not have accepted the money one day later because termed-out legislators are barred from raising funds for defunct candidate committees. The check came just early enough to be legal, but not in time for you to have to answer for it before the election.

This is all the more discouraging because the \$4 million can so easily be connected in the public mind with your intense push to pass a cable and video deregulation bill on behalf of AT&T, which helped you raise \$1.7 million for the party earlier this year. The negative effect of the deregulation law on consumers is already visible in the customer service meltdown at Time Warner cable. Cable companies, like phone companies, know they will never again face local demands for decent customer service or high-quality local programming.

This spring you were the sponsor and guest of honor of a fundraiser for the state Party, lavishly hosted at Pebble Beach by AT&T, at the moment you were carrying the legislation sought by AT&T and Verizon. Your staff dismissed criticism about the propriety of the event, assuring the San Francisco Chronicle that no conflict existed because the event was "a fundraiser for the Democratic Party, not the Speaker."

The cable deregulation scheme is already taking its toll on consumers in your home district in Los Angeles. When Time Warner took over the Adelphia cable system it felt free to drastically downgrade distribution of what was one of the highest-quality cable current events shows in the nation, "The Week In Review." As reported by James Granelli in the *Los Angeles Times*, Time Warner's inheritance of Comcast subscribers in Southern California has also

left Los Angeles customers with little recourse for lost internet connections, canceled channels and rude customer service. Would consumers be facing either of these problems if your bill hadn't released Time Warner from the obligation of negotiating with Los Angeles for a future franchise?

Now we have seen more than double the amount of the AT&T fundraiser money circle back to your political account from the Party, the original recipient of the AT&T money. When donations are given to the Party to be cleaned up and anonymized, then sent back for your personal use, the transaction can only be characterized as money laundering.

Your spokesman justified the transfer as money you raised for the Party that it was simply returning. We imagine that Democrats in close or losing races Nov. 7 are wondering why the Party was hoarding millions of dollars to give to you. More importantly, no matter the exact source, much of the money came from special interests who had business before the legislature.

Many of these same interests, whose contributions are no longer traceable to you, will also have an interest in your next political campaign. This \$4 million will allow you to showcase yourself as a candidate and buy endorsements in 2009. Whatever the money's intended use, it will further your future political ambitions.

In the meantime, Californians are stuck with whatever the cable and video providers, including AT&T, want to give them. The new statewide franchises going into effect Jan. 1 contain no recourse or effective protection against the kind of poor service that Time Warner is already providing.

This \$4 million gift comes with strings attached and the money will never be clean. Your acceptance of it demonstrates a disdain for voter-imposed campaign limits intended to limit the influence of large individual donors like AT&T on the legislature. The check must be returned to the Party.

Sincerely,

A handwritten signature in black ink, appearing to read "Carmen Balber". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Carmen Balber