

have organized rallies and town hall meetings in protest.

The failure to provide a safety net, particularly in the depression-like conditions that growing numbers of citizens now face, will cause sickness and death.

### At Risk Across the Nation

What are the choices people have when faced with unaffordable heating bills? The NEADA reports that the state of Iowa conducted a survey of its LIHEAP recipient families a year ago. "Over 20% reported going without needed medical care or prescription drugs in order to pay their heating bills and 12% reported going without food." The conclusion: "The Iowa report documents an affordability crisis existed prior to this year's rising fuel costs." Iowa state law requires utility companies to negotiate "reasonable" payment schedules over 12 months with people facing cutoffs. If the company rejects the payment plan offered, the household can appeal to the Iowa Utilities Board. As of mid-April the state reports that 180,000 families are in arrears for more than \$34.5 million, which is more than double last year's amount, according to NEADA. Many, but not all states have some provision whereby customers can attempt to negotiate payment plans before services are cut. But even so, in the case of these low- or fixed-income households, attempting to "negotiate" paying a doubled or quadrupled energy bill, is worse than dealing with a loan shark.

The cutoff picture is not complete, however; here is what is known at present. From a compilation of NEADA data and various states' news reports, and taking just those 12 states with 50,000 or more households known to be in arrears, at the very least 3.8 million households face the potential of having

their energy and/or utility service cut in the weeks ahead (**Table 1**). As most households have at least two people living in them, thus a minimum of 7.6 million individuals could lose service if payment schedules are not accepted by utility companies and the energy bandits. Missouri cutoffs began as of mid-March and could affect 13,000 households. As of April, shutoffs are or will be imposed in these 12 states: Connecticut (12,994 at risk), District of Columbia (14,694), Georgia (200,000), Illinois (38,000), Indiana (50,000), Louisiana (76,000), Minnesota (100,000), New Jersey (276,715), Pennsylvania (250,000), South Carolina (37,000), Virginia (20,000), and West Virginia (55,000). The May cutoff states are Iowa (180,000) and Kansas (27,000).

The combination of the energy pirates' looting, a very cold early Winter, and accelerating layoffs between December 2000 and February 2001 has also increased the number of people seeking financial assistance from the LIHEAP programs. The year-on-year increase of households applying for funds is up 1.2 million, going from 3.8 to 4.96 million. The national average of increased requests over last year is 30%. Twenty states reported increases above that, and of these 20, eight of them report increases of 50% or higher (see **Figure 1**). The NEADA report reveals that many states' LIHEAP administrators have had to divert allocated funds out of weatherization, furnace repair/replacement, and cooling assistance reserves just to meet the exploding demand.

## Citizens Fight Energy Cutoffs Throughout U.S.

by Brian Lantz

In the face of an April 17 deadline, when at least 25,000 New Orleans households reportedly face the cutoff of their utilities, citizen activists are challenging the rigged national energy crisis. The situation is exemplary of growing protests as the energy crisis worsens throughout the United States.

The necessity of re-regulation of energy production and distribution, and the principle of the General Welfare, are increasingly at the heart of debate over required action. The New Orleans situation, where more than 5% of the citizens are targeted for cutoff, is not otherwise exceptional. The National Energy Assistance Directors Association, in a press release issued on April 5, warns that millions of American low-income families face energy cutoffs. Cutoff notices have already gone out in nearly every part of the United States. South Carolina Electric and Gas Co. has already disconnected the service of 15,826 Charleston-area customers, according to the Powermarketers.com website.

TABLE 1

### Households Facing Energy Cutoffs in April

| State         | Households at Risk |
|---------------|--------------------|
| Michigan      | 1,300,000          |
| California    | 1,290,256          |
| New Jersey    | 276,715            |
| Pennsylvania  | 250,000            |
| Georgia       | 200,000            |
| Iowa          | 180,000            |
| Minnesota     | 100,000            |
| Kentucky      | 94,010             |
| Louisiana     | 76,000             |
| West Virginia | 55,000             |
| Indiana       | 50,000             |
| Kansas        | 50,000             |
| <b>Total</b>  | <b>3,821,981</b>   |

Sources: National Energy Assistance Directors Association data as of April 5, 2001; Powermarketers.com; and EIR.

## **New Orleans: Energy Prices Kill**

The latest development in New Orleans was a town hall meeting called on April 2 by two local organizations, Citizens for Change and the Alliance for Affordable Energy. About 150 angry and frustrated citizens turned out, with three city councilmen getting an earful, and a spokesman for the New Orleans-based utility, Entergy, attempting to defend its skyrocketing rates. Antoinette Harnell-Miller, leader of Citizens For Change, challenged the Entergy spokesman's evasiveness: "If you're not responsible for high prices, then sit down or join our lawsuit against these energy pirates. We have to get to the bottom of who's causing these people to lose service. The body count will rise this Summer if people are without electricity to run air conditioners. This is the calm before the storm."

Marty Rowland, Ph.D., representing FDR-PAC, a multi-candidate political action committee founded by associates of Lyndon LaRouche, addressed the meeting. He warned that elected officials risked participating in the murder of citizens, if they did not actively join LaRouche's fight for the General Welfare, and re-regulation of energy prices. Using the metaphor of Plato, that the shadow cast against the wall of a cave is not reality, Rowland showed that the problem is not only Entergy, the visible "shadow" seen by all. Instead, Rowland said, the FDR-PAC is identifying the creators of the crisis—ExxonMobil, BP-Amoco, and El Paso Corp., the natural gas cartel financial supporters of George W. Bush—whose actions project the visible shadow. They have been allowed to rig prices, with deadly consequences. Rowland said re-regulation, with a return to the policies of Franklin Delano Roosevelt, is the only solution, and drew strong applause.

Underscoring Rowland's point, was testimony about the first documented New Orleans death resulting from high energy prices.

Raymond Shields, 46, died of heart failure after three months of distress over his mounting utility bills, his brother testified on April 2. Fearing the loss of his shelter and warmth, Shields had sought financial help from a utility-sponsored program, TCA, which provides income assistance. Shields had seen his utility bill jump from \$60 a month, to \$255.47 a month in January. Shields was told that his January bill would be paid, but when his February bill came, and no credit appeared, he owed \$464.57. On March 1, he did receive a TCA credit, he was left owing \$285. Then, on March 10, Shields received notice that the TCA program had run out of money. He died ten days later, increasingly distraught over his apparently unsolvable financial circumstances.

In New Orleans, as in much of the South, natural gas has been the energy source predominantly used for heating and cooking, with electricity used for lighting. In recent years, more and more of the new electricity-producing power plants have been natural gas-fired, because of low construction and fuel transport costs. But now, such plants are leading to rap-

idly inflating electricity prices.

Entergy's response to the crisis facing the citizens of New Orleans, particularly the poor and the elderly, has hardly been civic-minded. At a City Council Utility Commission meeting on March 8, the Entergy representative laconically stated that there would be no exceptions to the April 17 cutoffs, because "we all have our problems." The City of New Orleans already has lawsuits against Entergy, for overcharges amounting to \$500 million.

A "Utility Users' Bill of Rights" is likely to be considered by the New Orleans City Council, but its next meeting is not until after the cutoffs are now scheduled to go into effect. Emergency action, including possible legal action, is being considered.

## **Seniors Demonstrate in Pennsylvania**

With thousands of Philadelphia residents facing utility and energy cutoffs on April 2, hundreds of senior citizens rallied at the state's capitol calling on legislators to act. Within a day of the rally, Philadelphia Gas Works extended its annual Winter reprieve for one week, setting April 9 as its new date to lift the Winter cutoff moratorium.

At the rally, State Sen. Anthony Williams (D-Phila.) announced that he has introduced a bill to provide emergency funds to cover utility costs for low-income customers. "Staying warm in the Winter shouldn't be a luxury available to just the wealthy, but this basic human necessity is quickly going beyond the reach of hardworking families," he said. Simultaneously, State Sen. Jane Orié (R-Allegheny) said that she plans to introduce a bill raising the eligibility limit so as to increase the number of people eligible for the state's low-income assistance program. But, even with this increase, the emergency funds to be made available will total only \$1 million. While these efforts provide temporary relief for a few, in the face of exorbitant energy bills it is the equivalent to using one's thumb to plug a hole in a dike. For example, PGW, having already imposed three rate increases in the last year, says it has newly identified 130,000 customers with delinquent accounts owing \$100 million, bringing the total owed to PGW to \$300 million.

## **Monterrey Rebels Against Free Trade, Deregulation**

by Benjamín Castro

It is poetic justice that it is in the state of Nuevo León, the so-called "capital of the North American Free Trade Agreement and globalization" in Mexico, that protests have been launched by several political forces and broad sectors of the