

---

# *Louisiana Political Fax Weekly*

June 16, 2006

By John Maginnis

## **Ethanol Wrangling Goes on**

*Session's most controversial issue defies closure*

Although the governor signed the bill mandating the sale of ethanol blends, intense negotiations continue over placing into law a safety valve to ensure that motorists don't pay much more at the pump.

The ongoing legislative struggle over ethanol, pitting Agriculture Commissioner Bob Odom and the Farm Bureau against the oil companies and retailers, has become the most controversial and hard-fought issue of the session. It has grown even more contentious after the governor's signature appeared to settle the matter.

A Senate bill was amended in the House on Wednesday to put a trigger on the newly enacted ethanol mandate, blocking it from going into effect until the price of ethanol is no more than 10 cents per gallon higher than the average price of unleaded gasoline, over a 90-day period. That would cause the blended fuel to be priced only about one cent per gallon higher than unblended gasoline. The mandate also would not take effect until state production of ethanol reached a certain level, which could take two years.

The Baton Rouge Advocate reported that the average price of ethanol-blended gasoline in Houston was 15 cents per gallon higher than unleaded gasoline in Baton Rouge on Wednesday.

### ***Governor Is the Wild Card***

The amended bill, SB 454, is back in the Senate and, sources say, destined for a conference committee where Odom's allies will try to raise the price cap if they can't strip it out or kill the bill. Negotiations are ongoing among Senate author Noble Ellington, Odom, farm senators and oil company lobbyists.

The wild card is Gov. Blanco, who supported passage of the mandate, then expressed second thoughts over the effect on prices and wound up signing the bill.

She told the local press that she would keep an open mind on the price trigger if it makes it to her desk. But her press office expressed concerns to an oil industry trade magazine about the difficulty of accurately setting such a trigger, given the complexity of fuel markets. "The governor is reviewing the amendment to determine if it is truly a consumer protection amendment or if it is crafted to ensure an ethanol mandate never goes into effect," the spokesperson was quoted as saying.

When the governor signed the ethanol bill, Odom, who will write the rules to implement the act, pledged to not invoke the mandate until the ethanol price was close to that of gasoline. But he has balked at setting the trigger in statute, causing Rep. William Daniel, who offered the trigger amendment, to claim Odom wants to "cook the books" in order to put the mandate in place.

*(Continued)*

---

Copyright 2006. John Maginnis. Subscription: 1 year (46 issues) \$135; 6 months (23 issues) \$78.  
SUBSCRIBERS ARE ALLOWED TO MAKE ONE PHOTOCOPY ONLY FOR INTERNAL OFFICE USE.

Multiple Rates: 3-5 copies, \$35; 6-10, \$70.

P.O. Box 6, Baton Rouge, LA 70821 / [lapolitics@cox.net](mailto:lapolitics@cox.net).

Phone: 1-800-673-5577. Fax: 225-383-1918. Web: [www.LaPolitics.com](http://www.LaPolitics.com)

**(ETHANOL, Continued)**

Odom and the author of the mandate bill, Rep. Francis Thompson, argue that ethanol prices will fall as more plants to manufacture it come on line. They say Louisiana can't afford to be left behind in the rush to build more plants before a federal ethanol mandate takes effect in 2012.

### **Senator's Husband Named to LSU Board of Supervisors**

Lake Charles attorney Ben Mount, husband of state Sen. Willie Mount, is up for confirmation to the LSU Board of Supervisors. The Mounts are long-time friends of Gov. Kathleen Blanco.

LSU supporters at the Capitol are very pleased with Mount's appointment, given that the senator chairs the Revenue & Fiscal Affairs Committee, which handles the capital outlay bill that handles the construction spending requests of colleges. "We're going to make him chairman of the (board's) capital outlay committee," said a LSU backer, half in jest.

The governor is keeping three members whose terms are up: Chairman Rod West of Baton Rouge and Laura Leach of Leesville, whose reappointments were expected, and Dr. Jack Andonie of Metairie, which was something of a surprise.

LSU sources still expect Dr. John George of Shreveport to be appointed, but his name has not yet been sent to the Senate.

Three other board members whose terms have expired will continue serving for now: Farm Bureau Federation president Ronnie Anderson of Baton Rouge, Marty Chabert of Houma and Charles Cusimano of Metairie.

The Fax Weekly incorrectly reported in the last issue that Elaine Abel of Lafayette would be appointed.

### **Assessor Merger Election Goes on Fall Ballot**

Chances are very strong that the constitutional amendment to merge the seven New Orleans assessor offices into one will pass statewide this fall, but it's the city's vote that

will decide the matter. The amendment must pass statewide and in New Orleans to take effect.

Supporters increased the chances of that with a late amendment to the proposal to moves up the election to this fall from 2008. Observers believe the post-hurricane reform momentum will increase chances for passage rather than waiting two more years while potential resistance to change could grow.

Even with the election date moved up, if the amendment passes, a single assessor will not be elected until the current terms of the seven officials expire in 2010. Whoever that is will instantly become one of the most powerful politicians in the state, something for city voters to consider.

### **Boasso to Hit Road to Test Political Waters**

Sen. Walter Boasso, who is weighing running for governor or quitting politics altogether, will start traveling after the session "to see what things are like in other parts of the state."

The Chalmette Republican acknowledged that he is not ruling out leaving the GOP to run as an independent, as was first reported in the on-line publication Louisiana Political Report.

"I don't fit the mold of a partisan kind of guy," he told the Fax Weekly. Some of his Republican colleagues would agree, citing his propensity to go against the party line, depending on the issue. To run for governor as a Republican, he would start well behind Congressman Bobby Jindal, who is moving around the state with the expectation he will run for the top job again.

Boasso is keeping his options open, including returning to private life. "I don't know where the road will take me. I'm also not ruling out not coming back," he said. "I'm tired of fighting for change when people don't want change."

He made his comments upon leaving the House Judiciary Committee, which voted to kill his bill to set up a new statewide emergency communications system. The Blanco administration lobbied against his bill, opting to develop the system through executive order.

## **TV Anchors Weighing Running for Congress**

Besides a line of politicians looking to run for Congressman Bill Jefferson's seat this fall, some well-known TV personalities are considering the race also.

Norman Robinson, long-time news anchor at WDSU, and part-time anchor and reporter Glynn Boyd at WGNO, are showing interest in running, according to Ringside Politics columnist Jeff Crouere.

Officeholders who might run include Councilman-at-Large Oliver Thomas, state Sen. Derrick Shepherd and state Rep. Karen Carter (if Thomas doesn't run). Republican attorney Joe Lavigne is the only declared candidate.

Jefferson, who has not been charged in the federal bribery investigation of him, was stripped of his Ways & Means Committee seat by Democratic colleagues on Thursday. He says he will defend his seat in the November 7 primary. Qualifying is Aug. 9-11.

## **Bankers Seek Answers On Housing Grants**

Now that federal funding is in place for the Road Home program, state bankers are seeking answers from the Louisiana Recovery Authority on how financial institutions fit into the housing rebuilding and buyout plan. Strictly speaking, they don't.

Under the Road Home plan, grants of up to \$150,000 will be paid directly to homeowners and not jointly to mortgage holders, as with insurance settlements. The state's newly chosen contractor, ICF International of Fairfax, Va., will act as the disbursal agent. Homeowners will have to sign covenants to pledge to use their grants to repair, rebuild or buy another house in Louisiana.

LRA officials say that, under HUD rules, issuing the checks jointly would trigger environmental audits that would cause months of further delays. LRA Director Andy Kopplin says the state has asked for a waiver but will get

the process moving without it.

Bankers want to know how the covenants will work for fear that homeowners could divert the money and not repair their homes, or be victimized by unscrupulous contractors, leaving banks with devalued assets. "We and the LRA have the same objective to see that people get their money and repair their houses," said Louisiana Bankers Association director Robert Taylor.

The banks' greatest concern is with those homeowners who decide to sell but not to relocate in Louisiana. They would get only 60 percent of their houses' pre-storm value, but mortgage holders could wind up with nothing but destroyed houses. The state and local communities would lose too if they cannot secure clear titles to properties to redevelop them.

## **Party Primaries Are Back For Congressional Elections**

It took Rep. Charlie Lancaster 25 years, but he finally closed the state's open primary system for at least one set of elections. With little debate, Republican Lancaster was able to pass Democratic Sen. Cleo Fields' bill to use party primaries to elect congressmen and senators, starting in 2008.

What cleared the way was an amendment by Rep. John Alario that would allow independents to vote in either major party's primary, as long as either state central committee does not opt out. Lancaster is certain that neither party would do so and thus disenfranchise and alienate 20 percent of the electorate that is unaffiliated.

Yet bill opponents believe that the opt-out power of the parties could cause a constitutional problem in federal court. The law must pass muster with U.S. District Judge Frank Polozola, who will determine if Louisiana can return to September or October primary dates instead of the November primary date mandated by a 1997 U.S. Supreme Court decision.

## Pinnacle Holding Cards; LC Group Wants License

An "urge and request" resolution carries no force of law, which is all the weight the Gaming Control Board is likely to give to a House concurrent resolution, if it passes, to have the board place a moratorium on the transfer of riverboat licenses.

It won't pass. In the Senate, the resolution was referred to Judiciary B Committee, chaired by Sen. Rob Marionneaux, whose district includes West Baton Rouge Parish, where Pinnacle Entertainment is considering moving one of the Lake Charles licenses it is buying from Harrah's.

Pinnacle is expected to tell the gaming board at its July meeting what it wants to do with the licenses it is acquiring. An alliance of African-American citizens in Lake Charles is asking the board to let it buy one of the licenses, though it has not revealed its financial backing. Local labor unions support the group, citing Pinnacle's use of non-union labor in building L'Auberge du Lac.

Pinnacle intends to keep one license in Lake Charles and perhaps berth the other in the Baton Rouge area, on either side of the river, though West Baton Rouge Parish appears to be the more likely site.

## Post Session, Time For Reality Check

Twenty-four hours after the Legislature adjourns *sine die*, the annual "Reality Check" dinner by the League of Women Voters of Baton Rouge will pass on what happened and didn't, should have and shouldn't have.

Speakers include Senate Secretary Glenn Koepp, Clerk of the House Butch Speer, PAR President Jim Brandt and yours truly. It will be held at the Taste of China Restaurant on Airline Highway. Cash bar at 6 p.m., dinner at 7. Tickets are \$35. Call 927-2255.

## Early Thursday Edition Next Week

## They Said It

"Did you know that I had 300 people in my jail? Murderers, rapists, liars, thieves. And did you know I was more comfortable with them than I am with some of the do-gooders in here?"

--Rep. Romo Romero, a former sheriff

"People do not smoke. Cigarettes smoke. The people are just the suckers."

--Rep. A.G. Crowe on the smoking ban bill

"It is time we drag New Orleans--possibly kicking and screaming--into the rest of the state."

--Sen. Bob Kostelka on New Orleans government consolidation bill

"They're not going to stop racing, with those slot machines going on. We'll go to racing Shetlands or tie a chicken on one."

--Rep. Charlie DeWitt, opposing state-subsidized insurance for jockeys

"The next time Charlie DeWitt ties a rooster on a Shetland pony I want to be there."

--Rep. Warren Triche

\* \* \*

On a series of resolutions to reform legislative procedures:

Rep. Troy Hebert: "I'm trying to eat this elephant one bite at a time."

Rep. Peppi Bruneau: "You're not going to eat this elephant, because it's gonna tromp y'all."

\* \* \*

"I'm against the motion to lay it on the table, or kill it, or whatever. What was the motion?"

--Rep. Bodi White on motion to indefinitely postpone a bill

"We should put it in a state a deep somnolence, from which it should never awake."

--Rep. Bruneau on the motion to postpone

"If you're going to ask someone to study something, you don't tell them what the answer is."

--Lobbyist Carmack Blackmon

"I think it's been abused so much this session. I just say let the abuse continue for four more days."

--Sen. Tom Schedler on the frequent practice of suspending the rules to introduce guests on the floor, which he agreed should be limited . . . after a constituent he invited is introduced