

## ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With ALEC EXPOSED, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

## ALEC's Corporate Board -in recent past or present

- AT&T Services, Inc.
  - centerpoint360
  - UPS
  - Bayer Corporation
  - GlaxoSmithKline
  - Energy Future Holdings
  - Johnson & Johnson
  - Coca-Cola Company
  - PhRMA
  - Kraft Foods, Inc.
  - Coca-Cola Co.
  - Pfizer Inc.
  - Reed Elsevier, Inc.
  - DIAGEO
  - Peabody Energy
  - Intuit, Inc.
  - Koch Industries, Inc.
  - ExxonMobil
  - Verizon
  - Reynolds American Inc.
  - Wal-Mart Stores, Inc.
  - Salt River Project
  - Altria Client Services, Inc.
  - American Bail Coalition
  - State Farm Insurance
- For more on these corporations, search at [www.SourceWatch.org](http://www.SourceWatch.org).

**DID YOU KNOW?** Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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### The Multi-Passenger Transportation Deregulation Act Model Legislation

{Title, enacting clause, etc.}

An Act to create a more efficient transit system by eliminating the bus service monopoly and allowing multi-passenger van services to compete in the transit market.

Did you know that global corporation Kraft Foods was the corporate co-chair in 2011?

Be it enacted by the legislature of the state of [insert state]:

#### SECTION 1. Definitions.

1. Private transit services refers to any motor-vehicle based service providing transportation to customers, clients, or members, including route-based or schedule-based van or bus service, express bus service, multi-passenger van service, dial-a-ride, shared-ride bus pools, carpools, or vanpools, or taxis.

#### SECTION 2. Findings

1. Current regulations imposed by local governments and the public utility commissions grant exclusive privileges to scheduled bus services; these privileges eliminate competition and create monopolies.

2. Operating a bus service in a non-competitive environment leads to lower quality of service, less innovation, less entrepreneurship, higher costs, and in the absence of subsidies, higher fares. These factors combine to steadily diminish the share of trips carried by mass transit.

3. Passengers of private transit services report feeling safer, waiting less, and traveling faster than on traditional municipal bus services. Throughout the country private transit services have proven that they can create new markets and expand existing ones.

4. Current regulations imposed by local governments limit entry into local taxi markets; these limits dramatically reduce competition.

5. Non-competitive or limits on taxi services increases prices, reduces service levels, ENGENERS "REDLINING," increases waiting time, and denies opportunity to would-be taxi entrepreneurs.

6. The chance to start a private transit service will be a major source of business opportunities for low skill disadvantaged workers.

It will create the small businesses that are the source of economic growth, and will provide a service the public needs.

#### SECTION 3. Application

(A) [Insert appropriate statute or regulation], which currently prohibits the creation of private transit services to provide public transportation that competes with a publicly franchised or operated bus or transit system is repealed. No county, city or subsection thereof shall prevent a private transit service from entering the transit market as long as it meets the following public safety standards.

1.) Service operators must have a valid vehicle license and driver's license to operate the vehicle.

2.) Service operators must have proper insurance.

3.) The vehicle is subject to regular inspections not to exceed four per year.

4.) Operators must comply with applicable state laws regarding drug and alcohol testing.

(B) Local governments may not deny a license to any applicant that meet conditions 1-3 in Section 3, para. A.

(C) Local government's licensing fees for private transit services may not be excessive or a significant barrier to entry.

(D) Local governments or any transit regulating body may not prevent private services from operating on any route, including those served by public transit.

1.) To deal with the potential problem of private services interloping at bus stops by picking up passengers waiting for publicly franchised or operated bus to arrive, provisions may be made to prevent private transit services from running ahead of public buses, lingering at the bus stop, or engaging in any other form of interloping at the pick-up

points.

a) These provisions may arrange for private services to stop at bus stops during certain time windows, or establish for private services separate stopping zones.

b) Stopping zones or staging areas for private transit services established on private property shall be permitted.

2.) Where contracts exist for route-based services with payments based on passenger loads, competition may be deferred until the current contract expires, is renegotiated, or for a maximum of three years.

*Adopted by ALEC's Trade & Transportation Task Force at the Annual Meeting August 21, 1998. Approved by full ALEC Board of Directors September, 1998.*

## Center for Media and Democracy's quick summary

This ALEC-proposed bill mandates that the provision of some public service be opened to bidding by private contractors, and that the contract be awarded on a "lowest cost" basis. While competition can be beneficial, competition without standards is not. "Lowest cost" requirements for procurement contracts tend to lower labor compensation among providers. They are also associated with even worse performance on health and safety, environmental, and reporting requirements than public agencies.

An early and, for that reason only, important effort to privatize provision of all public transportation services, through competitive contracting for provision of some service, and "lowest cost" or "least cost" instructions on awards to bidding contractors.

**About Us** and **ALEC EXPOSED**. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish [www.PRWwatch.org](http://www.PRWwatch.org), [www.SourceWatch.org](http://www.SourceWatch.org), and now [www.ALECExposed.org](http://www.ALECExposed.org). For more information contact: [editor@prwatch.org](mailto:editor@prwatch.org) or 608-260-9713.