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Profits before people: Why PG&E turned off the lights in California

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San Francisco protest in Dec. 2018 calls for public takeover of private utility PG&E.

Los Angeles — Poor maintenance by Pacific Gas and Electric (PG&E) has caused wildfires in California in recent years that resulted in well over 100 deaths and billions of dollars in property damage. The privately owned PG&E has declared bankruptcy to avoid paying settlements to its victims and is rejecting a federal judge's orders to come up with safer ways to deliver gas and electricity to millions of Californians.

The 2017-2018 fires aren't the first time that PG&E's greed has turned deadly. Investigations of a 2010 natural gas explosion in San Bruno that killed 8 people and burned an entire city block revealed that a pipe replacement project was called off

prematurely to save money and should have included San Bruno. PG&E employees had voiced concerns and were ignored.

Experts point to the fact that PG&E has neglected tree-trimming near its power lines to save money. David Walters, a retired member of the Electrical Workers union (IBEW) and former PG&E worker, said about the 2017-2018 fires: “This was totally the fault of PG&E, my former employer. PG&E admits it has only accomplished 31 percent of the required PUC [Public Utilities Commission] mandated tree trimming.

“This story is an old one going back to the mid-1980s, when the company started scaling back tree trimming operations. ... Tree trimming is mandated by state regulations. ... PG&E has failed to do this. We have had higher wind situations 20 and 30 years ago which did not cause any fires whatsoever.”

Politicians, courts and watchdog agencies are supposed to police the corporations. But unlike the cops that terrorize communities of color throughout the U.S., these cops wear velvet gloves.

Every state has a Public Utilities Commission. But [PublicIntegrity.org conducted a survey](#) of the entire U.S. and found that most commissioners have direct financial interests in the industries they are supposed to be “watchdogging.” The supposed independence of the watchdog agencies from utility corporations is a hoax.

‘Watchdogs’ for profit

On Sept. 16, 2014, the [San Francisco Chronicle reported](#) that William Peevey, then chief of California’s PUC, actually held a discussion with PG&E executives about ways of getting litigation against the utility moved in front of friendly judges following the San Bruno explosion. They were “judge shopping” over lunch. Peevey was forced out in late 2014, but is still bandied about as an expert in the area of power generation and regulations.

After the fires of 2017, the California Legislature passed a law so that PG&E could force its customers to pay for the liabilities from the 22 deaths and thousands of structures destroyed. But that law only covered the 2017 fires, and when the Camp fire and others happened in November 2018, the political risk of covering for PG&E again was too great. This time, 85 people lost their lives in a terrifying fire — the worst in California history. The fire tore through the entire town of Paradise. The property damage from that fire alone was in the billions of dollars, and without cover from its bought-and-paid-for politicians, PG&E declared bankruptcy.

Legislators, courts and watchdog agencies are supposed to keep corporations clean: reign in corporate excess, issue penalties for corporate abuses, prevent price-fixing, enforce safety regulations, etc., etc. But the legal and political structures developed by capitalism allow banks and corporations to exploit social needs, rake in billions and grant corporations de facto immunity when catastrophic events happen. The balance of power is the opposite of how it is explained in high school social studies classes.

Experts have voiced the opinion that a rigorous operation of trimming tree branches and clearing vegetation away from electrical lines and towers would have prevented the 2017-2018 fires. Others point to the possibility of burying power lines as is done in many other countries.

But PG&E spokespeople ridicule the idea of tree-trimming or burying power lines because of the expense. Instead, they unilaterally decided to shut down power in times of high-risk for fires.

This plan was implemented when winds kicked up on Oct. 8 with little advance warning. PG&E shut off power to nearly a million customers when high winds threatened to down power lines. There was barely any warning and the shutdown lasted more than 72 hours in some cases.

Refrigerators didn't run, food spoiled, communications were hindered, medicines that needed refrigeration went bad. The power shut-offs were a cheap, Band-Aid solution to a problem of PG&E's own making.

PG&E investors would put their capital elsewhere if investments in infrastructure lowered profits relative to other investment opportunities. As Karl Marx put it, "Capital flows to the highest rate of profit." That's the way it works under capitalism.

Socialism means power to the people

It also raises a question that every social and economic justice activist should be thinking about: How is it that countries trying to build socialism avoid this debacle and are able to move mountains when it comes to massive projects for the people?

As PG&E was declaring bankruptcy in January 2019 to get out of paying settlements for its negligence, hundreds of construction workers in Beijing were busy burying powerlines in two districts where there are traditional alleys — hutongs — dense with electrical cables.

Meanwhile, according to Venezuelanalysis, Bolivarian Venezuela, under U.S. attack on multiple fronts, was proudly passing the halfway mark in "Venezuela's Great Housing Mission" (GMVV) with a goal of 5 million new homes by 2025. Granma reported that Cuba was continuing work on the largest water diversion in its history, adding power generation plants and increasing agricultural capacity in some areas by 15 times.

In an earlier example, at the Eighth All Russian Congress of Soviets in 1920, V.I. Lenin pushed for a plan to electrify the USSR. He said: "Communism is Soviet power plus the electrification of the whole country. ... In my opinion it is the second program of our party."

The plan was adopted, the funds and resources were directed toward the project, and even as the isolated workers' state fought the aggression of 18 imperialist armies, including Britain and the U.S., the Soviet people electrified and pulled their country out from the deep poverty they inherited from Czarist times.

Under socialism, there is surplus value in the revenue taken in by enterprises that are owned collectively. But none of it is turned into profit for a tiny handful of rich people. It goes into a fund held by the state. It may be the national government or it may be a provincial administration, but the surplus from the revenue is set aside for the greater good of society. If a multibillion-dollar project is needed for electricity generation, mass transit or mass communication, the decision gets made and the project is undertaken.

Capitalism is still the dominant mode of production in the world, and that fact has made it difficult for countries trying to build socialism to attain the full potential of a planned economy. The advanced economic power of China yields the greatest examples, but U.S. aggression hasn't stopped Cuba and Venezuela from making great gains for their population.

Safe, clean Power to the People!



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