

Governor Vetoes Ethics Bills

By Judy Lin

SACRAMENTO—Despite a series of political scandals that marred the California state Senate this year, Gov. Jerry Brown said Tuesday he had vetoed key ethics bills seeking to place new restrictions on gift giving and campaign spending.

The Democratic governor said politicians should be subject to campaign finance rules, but the general activities addressed in the bills already are subject to regulation and disclosure.

The political ethics bills originated in the state Senate, where lawmakers have been under a cloud after federal agents arrested two Democrats in unrelated corruption cases. Agents say supporters lavished gifts and dinners on Sens. Leland Yee of San Francisco and Ron Calderon of Montebello to curry favor.

"Year after year, the same concerns are raised about the same political practices currently permitted by state law, which these vetoed bills sought to address," said Senate President Pro Tem Darrell Steinberg, D-Sacramento, in a statement. "This was an opportunity missed."

SB831 by Sen. Jerry Hill, D-San Mateo, sought to ban elected officials from requesting payments on their behalf to non-profit organizations run by family members.

"I don't agree with the Governor that these requirements would add more complex-

California state Sen. Leland Yee (R), D-San Francisco, leaves the San Francisco Federal Building on March 26. A grand jury says Yee took bribes in exchange for votes in favor of several legislative bills. Gov. Jerry Brown has vetoed key ethics bills seeking to place new restrictions on gift giving and campaign spending.



AP PHOTO/BEN MARGOT, FILE

ity," Hill said in a statement. "I believe SB 831 would have provided the public and our elected officials with critical transparency requirements and political expenditure safeguards at a time when the electorate's confidence has been shaken by recent indictments."

Federal officials accuse Calderon of directing an undercover agent to donate \$25,000 to a non-profit run by his brother, former lawmaker Tom Calderon, who also is facing charges.

Hill's legislation also would have placed restrictions on lawmakers trying to spend campaign contributions on personal perks, such as vacations, utility payments, and gifts for family members.

Brown, however, wrote in his veto message, "The additional

restrictions proposed by this bill would add more complexity to the regulations governing elected officials, without reducing undue influence."

During the legislative session, lawmakers pushed Hill to remove more stringent provisions from his bill, including capping annual travel expenses paid by donors at \$5,000 and banning the use of campaign money to pay legal costs to fight criminal charges.

Brown also vetoed SB1443 by Sen. Kevin de Leon, D-Los Angeles, which would have outlawed gifts from lobbyists and reduce the annual overall gift limit for lawmakers from \$440 to \$200. It also would have banned the most extravagant types of gifts such as sports and concert tickets.

The governor said the bill would have complicated the

state's existing campaign finance law, which already imposes a gift limit with an adjustment for inflation.

"Politicians should be subject to various constraints," Brown wrote. "I would point out, however, that some balance and common sense is required."

Brown also rejected SB1442 by Sen. Ricardo Lara, D-Bell Gardens. It would have increased the frequency of detailed campaign spending reports from twice a year to quarterly.

The governor, however, did sign a bill in response to a record fine against a top lobbying firm.

SB1441, also by Lara, prohibits lobbyists from holding fundraisers for elected officials at the homes and offices of lobbyists.

From The Associated Press

Bay Area Looks to Expand Overnight Transit Options

SAN FRANCISCO—San Francisco Bay Area officials are looking to expand late-night bus service to transport people across the bay.

The San Francisco Chronicle reports Bay Area Rapid Transit plans to launch a one-year test

program, possibly in December, to add overnight bus service from San Francisco to central Contra Costa County on weekends.

Regional transportation officials are looking for ways to address the shortage of late-

night public transportation out of San Francisco. Currently, the last BART train to the East Bay departs shortly after midnight.

A task force has been meeting since June and plans to release its recommendations for expanding late-night trans-

portation later this year.

BART officials say it is difficult to expand overnight train service because tracks need to be shut down for maintenance for roughly four hours.

From The Associated Press

Could a Merger Follow the PayPal-eBay Split?

By Mae Anderson

NEW YORK—PayPal's split from long-time partner eBay Inc. makes Carl Icahn mighty happy. But he doesn't think PayPal should stay single for long.

Icahn, who months ago called on eBay to spin off the lucrative online and mobile payment service, continues to believe that the payments field must be consolidated, either by PayPal buying up smaller rivals or by merging with another major player.

"In light of the development of strong competition such as the advent of Apple Pay, the sooner these consolidations take place, the better," he wrote on his website Tuesday in the wake of eBay's announcement that it will split off PayPal by the second half of 2015.

An independent PayPal will be much more appealing to potential customers like Amazon.com who compete with eBay. And PayPal will have more freedom to aggressively take on new mobile pay challenger Apple Pay.

PayPal services \$1 of every \$6 dollars spent online. It collects fees from over 150 million users who use the online service to send money to other users and pay for goods and services in more than 200 markets. The service posted 20 percent revenue growth in the last quarter to \$1.95 billion—representing nearly half of eBay's total revenue. And it's on track to process 1 billion mobile payments



AP PHOTO/MANU FERNANDEZ, FILE

Attendees walk in front of an eBay and PayPal display area at the Mobile World Congress, the world's largest mobile phone trade show, in Barcelona, Spain, on Feb. 27, 2013. PayPal is splitting from eBay Inc. and will become a separate and publicly traded company during the second half of 2015.

this year. The company's PayPal Here and One Touch mobile payment service, which it acquired with the purchase of Braintree, compete with players such as Square and Google Wallet.

The payoff is huge for whichever player can ultimately own the digital wallet space: mobile payments could spike to \$58.4 billion by 2017 from just \$1 billion last year, Citi Investment Research analyst Mark May said in August. And the pressure is on. Apple Inc., which has 800 million user accounts through iTunes, threw down a gauntlet last month with the announcement of its own mobile payment service Apple Pay, built into the

iPhone 6.

So what might be PayPal's first solo move?

Some analysts say the company could be a takeover target. Google and Microsoft, not to mention Visa and Mastercard, have tried to build online payment platforms with varying degrees of success, notes Cantor Fitzgerald analyst Youssef Squali. While Google is unmatched in Internet search, it has struggled with Google Wallet and Checkout, and acquiring PayPal could be a way for Google to quickly secure a leadership position in commerce and payments, R.W. Baird analyst Colin Sebastian has suggested. He also points out that

PayPal will end up with a sizable amount of cash and none of eBay's debt.

New CEO Dan Schulman will bring both mobile and prepaid payment experience to the company. Schulman, 56, was founding CEO of Virgin Mobile, before leading the prepaid group at Sprint Nextel and most recently expanding mobile and online pay services at American Express. Citi's May noted that few people have that background in financial services, mobile technology and payments—three key strengths to be competitive going forward in digital payments.

From The Associated Press



WALKER AND BOWES

Events Around the Bay

By Lina Broydo

Splendor in the Glass

Through Oct. 28

A colorful pumpkin patch in Palo Alto's Stanford Shopping Center Plaza is this fall season's site for stunning glass art. The exhibition pieces are for sale—unique and original pumpkins created by the award-winning glass masters Walker and Bowes. They'll add a touch of elegance and beauty to your Thanksgiving table. As a collector of Walker and Bowes glass treasures, I will definitely visit them again this year. Hours: Mon-Fri 10 a.m.-9 p.m., Sat. 10 a.m.-7 p.m., Sun. 11 a.m.-6 p.m.



WALKER AND BOWES

Happy 25th Anniversary, St. Lawrence Quartet

To commemorate its 25th anniversary this season, Stanford's prized and Grammy Award-nominated ensemble, the St. Lawrence String Quartet, will perform Haydn and Schubert along with the highlight—the unveiling of Berger's most recent string quartet, entitled Swallow. The series, presented by Stanford Live at Bing Concert Hall, on the Stanford University campus, will kick off on Oct. 19 at 2:30 p.m. in a special performance featuring special guest cellist David Finckel. The series "Sundays with the St. Lawrence" is presented in partnership with Music at Stanford. Visit www.slsq.com or call 650-724-BING (2464).

ERIC CHENG



Wildlife Art at Filoli

Through Oct. 26

Don't miss the Bay Area wildlife art exhibit which is celebrated on the lavish grounds of Filoli. Original works that capture the natural beauty of these local creatures, from mammals and marine life to birds, insects, and reptiles will be on display. This is Filoli's final art exhibit of the season. Recognized as one of the finest remaining country estates of the early 20th century, the historic Filoli is located in Woodside, Calif. The 654-acre property includes a 36,000 square-foot residence furnished with an extensive collection of 17th- and 18th-century English antiques and 16 acres of English Renaissance gardens that showcase an exquisite horticultural collection. Parking is free. Visit www.filoli.org or call 650-364-8300, ext. 509.



EXPLORER BY YELENA SHABROVA

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EDIBLE EXCURSIONS

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