Integrity of Internet is crux of global conference

By Eric Pfanner, New York Times

PARIS – A commercial and ideological clash is set for next week, when representatives of more than 190 governments, along with telecommunications companies and Internet groups, gather in Dubai for a once-in-a-generation meeting.

The stated purpose of the World Conference on International Telecommunications is to update a global treaty on technical standards needed to, say, connect a telephone call from Tokyo to Timbuktu. The previous conference took place in 1988, when the Internet was in its infancy and telecommunications remained a highly regulated, mostly analog-technology business.

Now the Internet is the backbone for worldwide communications and commerce. Critics of the International Telecommunication Union, the agency of the United Nations that is organizing the meeting, see a dark agenda in the meeting. The blogosphere has been raging over supposed plans led by Russia to snatch control of the Internet and hand it to the U.N. agency.

That seems unlikely. Any such move would require an international consensus, and opposition is widespread.

Terry D. Kramer, the former Vodafone executive who is the United States ambassador to the conference, has vowed to veto any change in how the Internet is overseen.

Analysts say the real business of the conference is business. "The far bigger issue – largely obscured by this discussion – are proposals that are more likely to succeed that envision changing the way we pay for Internet services," Michael Geist, an Internet law professor at the University of Ottawa, said by

email.

Hamadoun Touré, secretary general of the I.T.U., has repeatedly said that the U.N. group has no desire to take over the Internet or to stifle its growth. On the contrary, he says, one of the main objectives of the conference is to spread Internet access to more of the four and a half billion people around the world who still do not use it.

And yet, groups as diverse as Google, the Internet Society, the International Trade Union Confederation and Greenpeace warn that the discussions could set a bad precedent, encouraging governments to step up censorship or take other actions that would threaten the integrity of the Internet.

“This is a very important moment in the history of the Internet, because this conference may introduce practices that are inimical to its continued growth and openness,” Vinton G. Cerf, vice president and chief Internet evangelist at Google, said in a conference call.

Google set up a Web site last week, “Take Action,” encouraging visitors to sign a petition for a “free and open Internet.” The campaign is modeled on the successful drive last winter to defeat legislative proposals to crack down on Internet piracy in the United States.

More energy is expected to be spent on how companies make money off the Internet. In one submission to the conference, the European Telecommunications Network Operators’ Association, a lobbying group based in Brussels that represents companies like France Télécom, Deutsche Telekom and Telecom Italia, proposed that network operators be permitted to assess charges for content providers like Internet video companies that use a lot of bandwidth.

Analysts say the proposal is an acknowledgment by European telecommunications companies that they cannot hope to provide digital content. “The telecoms realize that they have lost the

battle," said Paul Budde, an independent telecommunications analyst in Australia. "They are saying, 'We can't beat the Googles and the Facebooks, so let's try to charge them.' "

The European lobbying group says that without the new fees, there will be no money to invest in network upgrades needed to deal with a surge in traffic. Regulators have required European telecommunications operators to open their networks to rivals, and the market for broadband is fiercely competitive, with rock-bottom prices.

In the United States, by contrast, most telecommunications companies have been permitted to maintain local monopolies — or duopolies, with cable companies — in broadband, keeping prices higher. And American regulators have ordered broadband providers to give equal priority to all Internet traffic. Such "network neutrality" is incompatible with charging content providers for moving their bits of data.

Analysts say this may explain why American telecommunications companies have not joined the European call for a new business model. "Models that try to force payment terms between nations and telecom operators run a huge risk of cutting off traffic," Mr. Kramer said in an interview. "Liberalized markets are the only way to expand the success of the Internet."

People who have been briefed on the conference submissions say that not a single European government delegation has endorsed the telecommunications operators' proposal, and the European Parliament has passed a resolution denouncing it. Only governments, not private groups or companies, can put items on the meeting agenda.

While many documents prepared for the conference remain secret, several people who have seen submissions say there is broad support for Internet connection fees in French-speaking Africa and among Arab nations — countries in which many telecommunications companies are still owned or heavily

regulated by governments.

Much of the attention before the 12-day conference has focused on a proposal from Russia that would effectively remove control of the Internet's infrastructure from a collection of decentralized and apolitical organizations, mostly based in the United States. "Member states," Russia proposed, "shall have equal rights to manage the Internet, including in regard to the allotment, assignment and reclamation of Internet numbering, naming, addressing and identification resources."

Those functions are performed by the Internet Corporation for Assigned Names and Numbers, a private organization with an international board that operates under contract with the United States government.

The Russian proposal was widely interpreted as a call to legitimize domestic censorship of the Internet. Yet analysts note that governments inclined to filter the Web, like China and Iran, have not waited for consensus in an international meeting to do so.

Ganong leads U.S. team with 16th finish in Beaver Creek

By USSA

BEAVER CREEK, Colo. – A record crowd packed the Audi Birds of Prey finish area Friday as Italian Christof Innerhofer took the win in the men's downhill. Travis Ganong of Squaw Valley led the U.S. Ski Team in 16th.

"I pushed the line, I really charged. I wanted to do something

big today," Ganong said. "But I had some mistakes. I was pretty pumped up. But my skiing's in a pretty good place and it will get better and better."

It was the first downhill win for Innerhofer in four years as he upset favorite Aksel Lund Svindal of Norway who was second.

Marco Sullivan of Squaw Valley, who was on the podium in Lake Louise a week ago, was 18th.

Racers from across the world praised the Audi Birds of Prey course crew for building one of the best World Cup tracks in recent memory.

Cook second behind Vonn in downhill

By USSA

A still ailing Lindsey Vonn of Vail stormed to a 1.73 second downhill victory in foggy Lake Louise as teammate Stacey Cook from Mammoth was second to climb atop the first Audi FIS Alpine World Cup podium of her career.

The weather-plagued race was stopped multiple times as fog drifted in and out. It was the 54th victory of Vonn's career and fifth straight in Lake Louise.

Julia Mancuso of Squaw Valley was eighth, Laurenne Ross 11th as the best in the world U.S. women's downhill team placed four in the top 15.

“I’ve spent a lot of time on this hill over the years. It’s been a lot of perseverance, sticking it out, and it feels so good to finally get on the podium. I really shut my brain off today. I know I can ski with these girls,” Cook said. “I’ve been so close for so long, so today I decided it was time. I let my ability take over.”

S. Tahoe officers on mission to stop drivers from using cell phones

The South Lake Tahoe Police Department has teamed up with the California Office of Traffic Safety, U.S. Department of Transportation’s National Highway Traffic Safety Administration, California Highway Patrol, and 36 other law enforcement agencies across the greater Sacramento region to eliminate motorists’ handheld cell phone use and texting.

The effort is a special federally funded pilot program using the region to test tactics that may be employed nationally in the future.

Beginning today and lasting through Dec. 9, South Lake Tahoe officers will be out in force to issue tickets to drivers using handheld cell phones or texting. Nationally in 2010, 3,092 people were killed, and an estimated 416,000 others were injured in motor vehicle crashes involving a distracted driver.

Officers say because too many drivers still don’t get the

message that using a cell phone while driving can be dangerous and deadly, this initial distracted driving crackdown marks the first of many enforcement waves taking place over the next year.

California's distracted driving law bans all drivers from using handheld devices and texting while operating a motor vehicle.

Distracted drivers in South Lake Tahoe talking on a handheld cell phone or texting will receive a first-time ticket costing a minimum of $159, with a second offense costing $279. But the goal of the special enforcement operation is not to issue tickets, but to raise awareness of the dangers of distracted driving.

S. Tahoe makes vicious dog laws less restrictive

By Kathryn Reed

When South Lake Tahoe's vicious animal ordinance becomes law in mid-December, it will mean a loosening of government regulations.

The city has been studying the ordinance for several months per the request of Councilman Bruce Grego. He with Councilman Tom Davis made up the subcommittee that worked with staff to come up with the new language.

The ordinance was approved Nov. 20 and takes effect 30 days later.

The city was operating under El Dorado County's ordinance, which was modeled after the state regulations, but more restrictive. The state allows for cities and counties to create dog rules that are less restrictive.

"When there is a dog-on-dog fight it will not constitute a vicious dog," City Manager Nancy Kerry explained.

The current county ordinance says any dog caught off its property three times is vicious, any dog fight makes the animals vicious, and complaints by a neighbor against a dog could render it with the label of being vicious. These are the rules the five councilmembers agreed were too stringent.

Kerry said one of the major differences between the city and county ordinances is judges will now have the discretion to look at the history of the dog's behavior and consider previous complaints. With the county regs, the judge has no discretion.

The new ordinance defines a potentially dangerous dog as:

• When unprovoked it bites a person;

• On two separate occasions in a two-year period unprovoked and off the owner's property, causes a person to act defensively to prevent injury.

A potentially dangerous dog does not include:

• A dog that bites or causes a domestic animal to act defensively to prevent injury if the animal was aggravating the dog;

• A dog that bites or causes a person to act defensively to prevent injury, if the person was committing a willful trespass on the owner's premises, was aggravating the dog, or was committing a crime;

• A dog that protects/defends a person on its immediate

vicinity from unjustified attack.

Scam artists posing as NV Energy workers

NV Energy is warning people of a scam.

Someone identifying themselves as employees of the company is calling customers threatening to disconnect power if a credit card payment or cash transfer is not made over the phone immediately.

NV Energy does not call customers and solicit payments. If customers receive a call asking for a payment, they should refuse and call local law enforcement official or NV Energy if they have additional questions.

Customers may also call NV Energy’s Customer Service Department in Reno at (775) 834.4444.

Customers who may be at risk of having their power disconnected because of nonpayment will receive a 10-day and 48-hour notice via U.S. mail.

Forget what the foodies and gourmands tell you

By Mehmet Oz, Time

There’s nothing like a block of frozen spinach to make you feel bad about your family dinner. There’s good food and bad food and pretty food and ugly food—and then there’s the frozen-spinach block. By any rights, this is not something you should want to eat. The picture on the box looks lovely, and the very idea of eating spinach is healthy. But what you find inside is a frosty, slightly slimy, algae-colored slab.

Somewhere out there—maybe just a five-minute drive from your house—a farmer’s market is selling fresh, organic leaf spinach that might have been sprouting from the soil an hour ago. This, as we’re told by any number of glossy cookbooks, TV cooking shows, food snobs and long-winded restaurant menus, is how we’re supposed to eat now. It may be more expensive than that frozen block of spinach. And more perishable. And more complicated to prepare. But it’s all worth it because it’s so much healthier than the green ice from the supermarket. Right?

Wrong. Nutritionally speaking, there is little difference between the farmer’s-market bounty and the humble brick from the freezer case. It’s true for many other supermarket foods too. And in my view, dispelling these myths—that boutique foods are good, supermarket foods are suspect and you have to spend a lot to eat well—is critical to improving our nation’s health. Organic food is great, it’s just not very democratic. As a food lover, I enjoy truffle oil, European cheeses and heirloom tomatoes as much as the next person. But as a doctor, I know that patients don’t always have the time, energy or budget to shop for artisanal ingredients and whip them into a meal.

The rise of foodie culture over the past decade has venerated all things small-batch, local-farm and organic—all with premium price tags. But let's be clear: you don't need to eat like the 1% to eat healthily. After several years of research and experience, I have come to an encouraging conclusion: the American food supply is abundant, nutritionally sound, affordable and, with a few simple considerations, comparable to the most elite organic diets. Save the cash; the 99% diet can be good for you.

This advice will be a serious buzz kill for specialty brands and high-end food companies marketing the exclusive hyperhealthy nature of their more expensive products. But I consider it a public-health service to the consumer who has to feed a family of five or the person who wants to make all the right choices and instead is alienated and dejected because the marketing of healthy foods too often blurs into elitism, with all the expense and culinary affectation that implies. The fact is, a lot of the stuff we ate in childhood can be good for you and good to eat—if you know how to shop.

Of course, there's a lot to steer clear of in the supermarket. Food technologists know what we like and make sure we always have our favorites. So alongside meat and fruits and veggies, there's also pasta, jelly, chips, pizza, candy, soda and more. Is it any wonder two-thirds of us are overweight or obese? Is it any wonder heart disease still kills so many of us?

So let's take a tour of the supermarket in search of everyday foods we can reclaim as stalwarts of a healthy diet. We'll pick up some meat and some snacks too, and we'll do a fair amount of label reading as we go. We'll even make a stop at the ice cream section. (I promise.) But let's start in the most underrated aisle of all: frozen foods.

Frozen, canned — and good?

It was in the 1920s that the idea of freezing fresh vegetables

into preserved, edible rectangles first caught hold, when inventor Clarence Birdseye developed a high-pressure, flash-freezing technique that operated at especially low temperatures. The key to his innovation was the flash part: comparatively slow freezing at slightly higher temperatures causes large ice crystals to form in food, damaging its fibrous and cellular structure and robbing it of taste and texture. Birdseye's supercold, superfast method allowed only small crystals to form and preserved much more of the vitamins and freshness.

In the 90 years since, food manufacturers have added a few additional tricks to improve quality. Some fruits and vegetables are peeled or blanched before freezing, for example, which can cause a bit of oxidation—the phenomenon that makes a peeled apple or banana turn brown. But blanching also deactivates enzymes in fruit that would more dramatically degrade color as well as flavor and nutrient content. What's more, the blanching process can actually increase the fibrous content of food by concentrating it, which is very good for human digestion.

Vitamin content is a bit more complex. Water-soluble vitamins—C and the various B's—degrade somewhat during blanching but not when vegetables are steamed instead. Steaming is preferable but it takes longer, and many manufacturers thus don't do it. The package will tell you how the brand you're considering was prepared. Other vitamins and nutrients, including carotenoids, thiamin and riboflavin, are not at all affected by freezing, which means you can eat frozen and never feel that you are shortchanging yourself.

Canning is an even older type of preservation; it's also quite possibly the single most significant technological leap in food storage ever conceived. Developed in the early 19th century by an inventor working for the French navy, canning is a two-step process: first, heat foods to a temperature sufficient to kill all bacteria, and then seal them in

airtight containers that prevent oxidation. Not all food comes out of the can as appetizing as it was before it went in. Some fruits and vegetables do not survive the 250F heating that is needed to sterilize food and can become soft and unappetizing. And in decades past, food manufacturers had way too free a hand with the salt shaker. That is not the case any longer for all brands of canned foods. A simple glance at the nutrition label (which itself didn't exist in the salty old days) can confirm which brands are best.

As with frozen vegetables, fiber and nutrient content usually stay high in canned foods. Some research indicates that carotenes, which can reduce cancer rates and eye problems, may be more available to the body following the routine heat treatment. What's more, canned foods are bargain foods. In an April study led by dietitian Cathy Kapica of Tufts University, nutritionists crunched the cost-per-serving numbers of some canned foods vs. their fresh counterparts, factoring in the time needed to prepare and the amount of waste generated (the husks and cobs of fresh corn, for example). Again and again, canned foods came up the winner, with protein-rich canned pinto beans costing $1 less per serving than dried, for example, and canned spinach a full 85 percent cheaper than fresh.

Food on the hoof, fin and wing

I live in a vegetarian household, so I simply don't have the opportunity to eat a lot of meat at family meals. But I am not opposed to meats that are served in an appropriate portion size and are well prepared. Your first step is deciding what kind of meat you want and how you want to cook it.

There's no question that free-range chickens and grass-fed, pasture-dwelling cows lead happier—if not appreciably longer—lives than animals raised on factory farms. They are also kept free of hormones and antibiotics and are less likely to carry communicable bacteria like E. coli, which are common

on crowded feedlots. If these things are important to you and you have the money to spend, then by all means opt for pricier organic meats.

But for the most part, it’s OK to skip the meat boutiques and the high-end butchers. Nutritionally, there is not much difference between, say, grass-fed beef and the feedlot variety. The calories, sodium and protein content are all very close. Any lean meats are generally fine as long as the serving size is correct—and that means 4 to 6 ounces, roughly the size of your palm. A modest serving like that can be difficult in a country with as deep a meat tradition as ours, where steak houses serve up 24-ounce portions and the term meat and potatoes is a synonym for good eating. But good eating isn’t always healthy eating, and we’re not even built to handle so much animal protein, since early humans simply did not have meat available at every meal. Sticking with reasonable portions two or three times a week will keep you in step with evolution.

Preparation is another matter, and here there are no secrets. Those burgers your kids (and probably you) love can be fine if they’re lean and grilled, the fat is drained and you’re not burying them under cheese, bacon and high-fructose ketchup and then packing them into a bun the size of a catcher’s mitt.

Chicken is a separate issue. In my mind, there is nothing that better captures where we have gone wrong as a food culture than the countless fried-chicken fast-food outlets that dot highways. Fried chicken is consumed literally in buckets—and that’s got to be a bad sign. What’s more, even at home, frying chicken wrecks the nutritional quality of the meat.

Indeed, chicken is so lean and tasty it can actually redeem a lot of foods that are otherwise dietary bad news. I don’t have a problem with tacos, for example, if you do them right. A chicken taco is a better option than beef, and a fish taco is the best choice of all. All the raw ingredients are available

in supermarkets, and what you make at home will be much healthier than what you get when you go out.

There’s even goodness to be found in some of the supermarket’s seemingly most down-market fish and meats: those sold in cans. One great advantage to canning is that it does not affect protein content, making such foods as canned tuna, salmon and chicken excellent sources of nutrition. Canned salmon in particular is as nourishing as if you caught a fresh salmon that afternoon. It’s also easy to prepare: you can put it on a salad or serve it with vegetables and have dinner ready in minutes.

Let’s also take a moment to celebrate the tuna-salad sandwich, which is to lunch what the ’57 Chevy is to cars—basic and brilliant. Sure, there are ways to mess it up, with heaping mounds of mayonnaise and foot-long hoagie rolls. But tuna is loaded with niacin, selenium, vitamin B12 and omega-3 fatty acids, and a sandwich done lean and right, on whole-wheat bread with lettuce and tomatoes, is comfort food at its finest with little nutritional blowback.

Still, some of these cans are land mines. Plenty of products include flavor enhancers such as sugar, salt and MSG. And there are canned meats that really are nothing but bad news. Vienna sausage is the type of food that keeps us heart surgeons in business. As for hot dogs and luncheon meats like salami and bologna, just don’t go there. They’re way too high in nitrites and sodium to do you even a bit of good.

Guilty pleasures

To me, ice cream is a sacred food. When I was a boy, my father would drive me to the local ice cream store on Sundays. We would spend the half-hour car ride talking, and I got to know my dad better through these conversations. It wasn’t really about the ice cream; it was about time spent together. I even made the decision to become a doctor in that very ice cream

store—something, perhaps, about the sense of well-being I was experiencing. I have used ice cream as a family focal point with my own children, and to this day it is an indicator of an occasion. Ice cream should be in your life too. What's more, it's not even a bad or unhealthy food.

For starters, the protein and calcium in ice cream are great. And some of the ingredients in better ice creams are good for you too, including eggs (yes, eggs, a terrific source of protein and B vitamins and perfectly O.K. if your cholesterol is in check) and tree nuts such as walnuts, almonds, cashews and pistachios. As with most other foods, the problem is often the amount consumed. A serving size is typically half a cup, but that's a rule that's almost always flouted, which is a shame. Overdoing ice cream not only takes its toll on your health but also makes the special commonplace. I often say that no food is so bad for you that you can't have it once — or occasionally.

Peanut butter has none of the enchanted power of ice cream. It's a workaday food, a lunch-box food—and an irresistibly delicious food. The allegedly pedestrian nature of the supermarket is perfectly captured in the mainstream, brand-name, decidedly nongourmet peanut butters lining the shelves. But here again, what you're often seeing is a source of quality nutrition disguised as indulgent junk.

Peanut butter does have saturated fat, but 80 percent of its total fats are unsaturated. That's as good as olive oil. It's also high in fiber and potassium. But many brands stuff in salt and sweeteners as flavoring agents, so read the labels. Sometimes supermarket brands turn out to be the best.

And guess what? Preserves and jams without added sugar can be great sources of dietary fiber, vitamin A, vitamin C and potassium, and whole-wheat bread is high in fiber, selenium, manganese and more. So by shopping right and being careful with portions, we have fully redeemed that great, guilty

American staple: the PB&J.

Snack foods are a different kind of peril, but if there’s one thing Americans have gotten right, it’s our surpassing love of salsa. Year after year it ranks near the top of our favorite snack foods, especially during football season. I think salsa is a spectacular food because it’s almost always made of nothing more than tomatoes, onions and cilantro and usually has no preservatives. And remember, those tomatoes contain lycopene, a powerful antioxidant that helps battle disease and inflammation.

Another great south-of-the-border staple is guacamole. Its principal ingredient is, of course, avocados, which are loaded with the happiest of fats: the unsaturated kind that help prevent heart disease. They are also rich in vitamin K (over 50 percent of your recommended daily intake from just half an avocado) and vitamin C. But keep portions in check to hold the line on both calories and sodium.

Finding something to scoop up those dips is a problem. Tortilla chips fried in lard and covered with salt are simply not a good idea. Baked pita chips (ideally unsalted) are great, but there’s no way around the fact that they’re pricier than tortilla, potato and corn chips.

The beauty of simplicity

Pretty much any aisle in any supermarket has foods that you might think mark you as a culinary primitive but are worth considering. Pickles? Sure, they’re loaded with salt, so read labels and exercise care, but they’re high in vitamin K and low in calories, and the vinegar in them can improve insulin sensitivity. Baked beans? Pass up the ones cooked with bacon or excessive sweetening, but otherwise, they’re a great source of protein and fiber.

Meanwhile, the condiments section has mustard—extremely low in calories, high in selenium and available in a zillion

different varieties, so you'll never get bored. Popcorn? Absolutely, but go for the air-popped, stove-top variety instead of the microwavable kind covered in oils and artificial butter flavorings. And chocolate! Ah, chocolate. Stick with dark – 65 percent cocoa – and don't overdo the portions. I know, that's not easy, but do it right and you'll get all the antioxidant benefits of flavonols without all the calories and fat.

Throughout the developed world, we are at a point in our evolution at which famine, which essentially governed the rise and fall of civilizations throughout history, is no longer an acute threat. And we know more about the connection between food and health than ever before – down to the molecular level, actually.

This has provided us the curious luxury of being fussy, even snooty, about what we eat, considering some foods, well, below our station. That's silly. Food isn't about cachet. It's about nourishment, pleasure and the profound well-being that comes from the way meals draw us together.

Even foods that I have described as no-go items are really OK in the right situations. I recently enjoyed some fantastic barbecue after a long project in Kansas City, Mo., and I certainly ate the cake and more at my daughter's wedding. As with any relationship that flourishes, respect is at the core of how you get along with food—respect and keeping things simple.

Mehmet Oz is a vice chairman and professor of surgery at Columbia University, a best-selling author and the Emmy Award-winning host of "The Dr. Oz Show".

Sugar Bowl not opening on Saturday because of storm

With several strong systems of extreme weather delivering mixed precipitation, high winds and fluctuating snow levels, Sugar Bowl announced this morning that the resort will be closed Dec. 1.

“These storms are actually great early-season base builders and it’s snowing pretty good up top,” resort operations director Scott Ferguson said in a statement. “But with strong winds impacting lift operations and mixed precipitation limiting visibility, and perhaps more importantly in the interest of maintaining the lower-level base we’ve already got, we’ve made the decision to close for this Saturday.”

Investment firm buying up houses in Sac, El Dorado, Placer counties

By Hudson Sangree and Phillip Reese, Sacramento Bee

An investment firm that owns the Waldorf Astoria hotel and the Weather Channel has bought more than 500 houses in Sacramento in the past few months, betting upward of $60 million that home prices will rise.

Blackstone, a New York-based group with billions of dollars in

investments and offices from London to Tokyo, has been snapping up low-priced homes across the region, from Elk Grove to Citrus Heights, at a rate of about 40 a week.

It marks the first time a major investment firm has bought in Sacramento on such a scale – a direct result of the thousands of houses left vacant by foreclosures in recent years and offered at fire-sale prices.

“Prior to the current housing cycle, it was essentially unheard of” for major investment funds to buy single-family homes, said Stuart Gabriel, director of the Ziman Center for Real Estate at UCLA. “The exodus from home ownership and the dislocation of homeowners has been unprecedented.”

Experts said the bulk purchase of single-family homes by Blackstone and other big investment firms could have a significant effect on Sacramento neighborhoods, pro and con.

The purchases may boost prices in the short term by clearing out distressed properties and create needed rental housing. But they could also alter neighborhoods once populated by owners rather than renters, and make it more difficult for first-time buyers to compete in today’s market.

Whether the entry of such large players is positive or negative depends in large part on how well Blackstone treats its tenants and maintains its piece of suburbia.

“The jury is out in this particular respect,” Gabriel said. “There’s a lot of asset management involved here. It could be more challenging than they expect.”

This year, across the United States, a number of big investment firms have been active in areas hit hard by the housing collapse. Blackstone, one of the largest, says it will spend about $1.5 billion to buy 10,000 homes nationwide with the idea of renting them until prices increase enough to sell.

The firm calls itself the world's largest real estate private equity firm, whose $54 billion in assets includes shopping centers, hotels and office complexes.

But fixing faucets and collecting rent on single-family homes is a new strategy for Blackstone, which owns hotel giant Hilton Worldwide, has a major stake in T-Mobile parent Deutsche Telekom, and frequently partners with Mitt Romney's old firm, Bain Capital.

Blackstone has embraced the plan with gusto.

"It's a long-term investment for us," said Philippa Brown, spokeswoman for Blackstone's new housing division Invitation Homes.

Starting in May, the firm bought about 900 homes in Riverside and San Bernardino counties, Southern California's Inland Empire, which saw a boom-and-bust cycle last decade similar to Sacramento's.

Big player, small prices

Blackstone arrived in Sacramento in August, opening a Roseville office for its purchasing partnership, which operates under the name THR California and includes Invitation Homes.

The company wasted little time in becoming the largest purchasing force in the Sacramento foreclosure market, spending more than $60 million, according to a *Bee* analysis of county records.

Using local real estate agents, brokers and former house flippers, the company went from owning no homes here in August to owning 250 by mid-October.

House flippers who had to compete against Blackstone's buyers in auctions on courthouse steps began to grouse. They were regularly being outbid.

THR has paid, on average, a roughly 20 percent premium for homes, according to a *Bee* review of data from Zillow.com. In one case, THR purchased a 1,000-square-foot home in Meadowview for $175,000, or roughly 80 percent more than Zillow estimates the home is worth.

“They’re betting on appreciation,” said Eric Peterson, managing director of Praxis Capital, a house-flipping and property management firm in midtown Sacramento. Blackstone’s attitude, Peterson said, is “‘I don’t really care what I pay today, because I think it’s going to be double that five years from now. Ten grand’s not going to affect my return that much.’

“We don’t necessarily disagree with their thesis, but our appetite for risk is much lower than theirs,” Peterson said.

As of last week, tax records showed THR California owned 510 houses in Sacramento County. The firm added about 40 properties a week during the last three months – one in every 10 houses sold in Sacramento County in that period.

More recently, Blackstone has sped up the pace. During the first three weeks of November, the Sacramento County recorder’s office showed THR bought 145 properties, almost 50 per week.

THR California also bought 22 homes in Yolo County, 21 in Placer County and one in El Dorado County during the past three months, according to official records.

Most of the houses THR has acquired are relatively small, between 1,000 square feet and 1,800 square feet, and cost from $75,000 to $200,000. They are located mainly in distressed areas – such as North Highlands, Rancho Cordova and Galt – where sales prices have plummeted but rents remain relatively high, creating quick cash-flow opportunities.

In South and North Natomas, the company has purchased about 50

homes. The *Bee* visited a dozen last week. Some were dilapidated, with paint peeling and dead grass in the yard. Some were being fixed up by contractors with new carpet and sod. Others were neat and trim, with fresh paintwork and appliances, ready for new tenants.

Only one had a tenant in residence.

At his house on Regatta Drive in the city's Northgate neighborhood, John Coaxum, 50, gripped two eviction notices he had received from THR California.

Coaxum, whose rent is subsidized by Section 8, said he had lived in the house for 14 years and done much of the landscaping himself. His landlords used to be a local couple, but they lost the house to foreclosure.

When THR bought it from the bank, the company wanted more money, which he didn't have, he said. Coaxum said he called the company's number in Roseville and left messages but had not heard back.

Now he was facing the prospect of being tossed out.

"I'm not scared, I'm terrified," Coaxum said. "I raised all my kids here. I love my neighborhood. I have no delinquency. I don't know what's going down."

THR California has not yet filed any "unlawful detainer" lawsuits in Sacramento Superior Court to force the eviction of tenants. But in Riverside and San Bernardino counties, where the company has been active a few months longer, THR California has filed more than 125 such lawsuits, court records show.

Tenants and toilets

Dealing with tenants in single-family homes is sure to pose challenges, even for a multi-billion-dollar behemoth.

It will be difficult to rehabilitate 500 houses in short order, Peterson said, and keeping them up won't be easy, either. Praxis manages 80 rental homes, and the coordinator's phone rings off the hook with complaints of leaking roofs and broken toilets, he said.

Profit margins that look great on paper can end up being offset by tenant and maintenance headaches.

"It's a lot to handle," he said.

That's why Blackstone's Invitation Homes has contracted with Riverstone Residential Group, one of the nation's largest managers of apartment complexes. The two companies now share an address in Dallas.

"We want our customers to be happy," said Invitation's Brown. "Those are their homes."

Brown, who just began her job two weeks ago with the startup company, said she could not answer questions about the Sacramento market or individual tenants. She referred questions about property management to Riverstone. Riverstone, in turn, referred all questions back to Brown.

Ryan Lundquist, a local property appraiser, said that how the properties are managed remains a crucial question. By purchasing en masse, Blackstone is helping boost neighborhood property values, but increasing the number of rentals is potentially destabilizing, Lundquist said.

Whether the properties are kept up and rented to good tenants will affect values of neighboring homes, he said.

In Elk Grove, where Blackstone has bought about 40 houses, newly elected Mayor Gary Davis said he shares those concerns. He also worries about a future hit on home prices if Blackstone decides to sell its holdings all at once.

And he said the company's spending spree could squeeze out

local residents who are trying to buy homes at today's low prices and interest rates.

"We have residents who are finally able to buy their first home or get back into a home after renting for a while," Davis said.

"When they have to compete with national investment companies," he said, "it makes it hard for residents to get a foot in the door and get their house."

Citrus Heights Mayor Jeff Slowey had a different take.

Blackstone's purchase of about 60 homes in Citrus Heights and surrounding communities is a good sign for local homeowners, he said. By investing, Slowey said, Blackstone is saying "they think it's a good market, and it's going to turn around."

Ski report: Blustery day all day

Wind and weather are going to make for less than ideal conditions the slopes today.

Heavenly is starting on wind hold. The upper mountains of Squaw Valley and Kirkwood are also on wind hold.

Here is the Nov. 30 ski report.

— Curtis Fong