

Major publishing house files for bankruptcy

By Dawn McCarty and Phil Milford, Bloomberg

Houghton Mifflin Harcourt Publishing Co., the publisher of authors from Mark Twain to J.R.R. Tolkien, sought bankruptcy protection to eliminate more than \$3 billion in debt.

The company, based in Boston, listed \$2.68 billion in assets and \$3.53 billion in debt in Chapter 11 documents filed last week in U.S. Bankruptcy Court in Manhattan. More than 20 affiliates also entered bankruptcy, including Broderbund LLC and Classroom Connect Inc.

“The global financial crisis over the past several years has negatively affected” Houghton Mifflin’s financial performance, in a business that “depends largely on state and local funding” for the schoolbook market, said William Bayers, company general counsel, in court papers.

He cited “recession-driven decreases” and “purchase deferrals” by the states and a “lack of anticipated federal stimulus support” for “substantial revenue decline.”

The filing comes as traditional print-book publishing faces growing competition from e-books. Sales of adult paperbacks and hardcover books fell 18 percent from 2010 to 2011, according to the Association of American Publishers. Borders Group Inc., the second-largest U.S. bookstore chain, filed for bankruptcy in February 2011.

Read the whole story

Bicyclist with headphones on slams into truck

A 12-year-old boy is lucky he only sustained a broken arm after he rode his bike into the side of a tractor-trailer.

The name of the South Lake Tahoe youngster is not being released.

South Tahoe police officers say the boy was wearing headphones and no helmet on May 31 at 2pm when the accident occurred.

Officers said the bicyclist attempted to cross Highway 50 against a red traffic signal at Lyons Avenue and collided with the side of the tractor trailer near the intersection.

Bicyclists younger than 18 are required by law to wear a helmet while riding. Parents of minors not wearing a helmet can be cited for allowing their kids to ride without a helmet.

The police are not seeking criminal prosecution of the juvenile's parents for child endangerment in this instance.

– Lake Tahoe News staff report

Study: Most tobacco money California collects doesn't go to prevent or stop smoking

By Jon Ortiz, Sacramento Bee

With California voters poised to vote next week on a tobacco

tax hike, a new federal study concludes that the state has used relatively little of the billions of dollars in tobacco money it already takes in to prevent kids from smoking or to help smokers quit.

Between 1998 and 2010, just 6 percent of the money collected from a massive lawsuit settlement and from cigarette taxes went to tobacco interdiction and education programs, the national Centers for Disease Control and Prevention reported last week, far below federal spending guidelines for effectively curbing tobacco use.

The report has provided fuel for both sides of the pitched debate over a June 5 ballot measure that would more than double the state tax on a pack of cigarettes. The money would pay for tobacco-related disease research and anti-smoking programs and go to fight illicit tobacco sales.

Proponents such as American Cancer Society lobbyist Jim Knox say the CDC report underscores why voters should support Proposition 29 – to lock in money for anti-tobacco efforts, improve public health and ultimately save lives.

The measure would bolster proven anti-tobacco programs that are woefully underfunded but remain a “model throughout the nation and the world,” Knox said.

Beth Miller, a spokeswoman for the tobacco industry-backed No on Prop 29 campaign, said the CDC study just proves government can’t be trusted with more tobacco tax money. She compared the ballot measure to others that funded controversial state projects, such as high-speed rail and stem cell research.

Read the whole story

Enviro groups want Angora burn area tree cutting stopped immediately

By Scott Sonner, AP

Rare woodpecker chicks in burned forest stands at Lake Tahoe won't survive if the U.S. Forest Service proceeds with a contentious post-fire logging project, according to conservationists pressing the agency to postpone cutting around the trees until after the nesting season in August.

The John Muir Project is asking for the delay while awaiting a ruling on an appeal to the 9th U.S. Circuit aimed at blocking what's left of the salvage logging operation where the Angora Fire five years ago burned more than 3,000 acres and 254 homes on the edge of South Lake Tahoe.

Chad Hanson, the group's executive director, documented black-backed woodpecker chicks this week in at least one nest in the cavity of a standing dead tree at the project site and suspects there are more.



Trees in the Angora burn area have been taken out each year since 2007.

Photo/LTN file

Forest Service officials said Thursday they were reviewing the matter. Lawyers for the agency indicated to the critics earlier this week the plans could not be changed.

Hanson's group and others recently petitioned the Interior Department for Endangered Species Act protection for the black-backed woodpecker in the Sierra Nevada, eastern Cascades of Oregon and Black Hills of South Dakota and Wyoming.

The petition is the first seeking protection of a species tied to post-fire habitat. It says the woodpecker has survived for millions of years by eating beetle larvae in burned trees – 13,000 larvae annually – but is threatened by dramatic reductions in habitat resulting from fire suppression and post-fire logging.

At least 300 acres of partially burned and standing dead trees remain uncut in the Angora project area that calls for logging up to 1,500 acres – a total area of more than 2 square miles on national forest land on the west edge of town.

Hanson said the logging had moved within a few hundred yards of the actual nest tree where he identified a mother black-backed woodpecker feeding chicks on Memorial Day, accompanied by a photographer for the Associated Press.

Agency officials told the group normal procedures dictate any documented nest tree itself be spared but no additional protection currently is planned at the project in the works since early 2009.

Hanson, a wildlife ecologist at the University of California, Davis who has been challenging logging projects in the Sierra for more than a decade with mixed success, said a bare minimum buffer of at least 60 acres is needed.

With less, he said even if the chicks' parents don't abandon

the nest they won't have a big enough foraging territory to keep the young fed. He said the chicks won't be able to fly for weeks and logging already is up against the 60-acre core.

"There are some other unlogged areas they could fly to as long as the nest core area was protected, but if that's gone, the chicks would just starve to death," said Rachel Fazio, a lawyer for the group who argued their case last May 14 before a three-judge panel at the federal appellate court in San Francisco.

Fazio said it is ironic that the Forest Service and the Tahoe Institute for Natural Science are co-hosting the third annual Lake Tahoe Bird Festival on Saturday at the Taylor Creek Visitor Center just a few miles from the woodpeckers' nest.

"We confirmed the nest tree and the birds were there on Monday but I don't know if they'll be there next Monday," she told AP. "It's one of the rarest birds in the Sierra Nevada. We can't have logging activities which basically kill off the next generation. It seems like this should be a no-brainer."

Forest Service spokeswoman Cheva Heck said Thursday they still were examining potential alternatives but had no immediate response to the request for delay.

"As managers of public lands, we have the responsibility of balancing multiple priorities. We are still researching each of our options before deciding the most effective way to proceed," Heck said in an e-mail to AP.

Fazio notified Justice Department lawyers representing the Forest Service in the 9th Circuit case on May 24 that they had spotted two pairs of black-backed woodpeckers in an area slated for logging. She said additional observations would be necessary to confirm nesting but requested in the meantime that USFS delay operations in the area until nesting season is over.

Justice Department lawyers told Fazio in an e-mail May 25 the agency's normal practice is to protect nest trees but it would not be possible to protect 60 acres around nest trees without undermining the project's goals, including forest restoration and public safety.

Fazio repeated the request May 28 along with photos of the nest and mother she hoped would prompt the agency to "reconsider its decision to not protect this nesting pair and their chicks." She said on Thursday she understood the photos had been forwarded to Forest Service biologists but she had received no additional response.

It's not clear if the 9th Circuit will rule by August on the appeal seeking to overturn a U.S. district court ruling in Sacramento denying the John Muir Project's request for an injunction to block the logging. The group says the agency's environmental assessment of the project flies in the face of the latest, best scientific research.

Threatening phone call leads to search of Stateline casino

All the commotion May 30 at the Horizon casino was because a front desk clerk received a call from a man who said he was going to shoot himself because his girlfriend had discovered naked pictures of him with children.

"Our deputies responded and checked all the occupied rooms at the hotel just to make sure the guy wasn't calling from inside the hotel while using a personal cell phone. There are currently only 28 rooms occupied in the hotel, and all occupants of those rooms checked OK," Douglas County sheriff's

Sgt. Jim Halsey told *Lake Tahoe News*.

It is unknown what telephone number the call was made from because caller ID reads "outside line" at the Stateline casino.

"There is no telling where this guy was calling from since he never stated he was at the Horizon. Also there's no telling if it was valid call or a hoax," Halsey said.

– *Lake Tahoe News staff report*

Brown's wildfire liability plan gets some push back

By Kevin Yamamura, Sacramento Bee

Gov. Jerry Brown tucked provisions into his budget that would limit payouts in wildfire liability cases, potentially saving timber companies and other major California landowners hundreds of millions of dollars as federal prosecutors pursue record-high damages in court.

The Democratic governor also asked lawmakers to impose a 1 percent lumber tax to fund forestry oversight while reducing industry costs. And he wants to reduce the frequency with which California reviews tree-cutting plans for environmental impacts.

Brown pitched the ideas as ways to help the state's timber industry provide jobs after a construction downturn and fierce competition with producers from the Pacific Northwest. He also highlights \$30 million in new lumber tax funding for environmental reviews that have gone missing due to budget

cuts.

But the plan has drawn strong opposition from the Sacramento-based U.S. attorney's office, which is aggressively pursuing wildfire negligence cases, as well as some environmentalists who contend Brown is giving the industry too much.

Brown's legislation addresses wildfire lawsuits filed by government agencies. It would more narrowly tailor criteria for calculating wildfire damages and seeks to focus awards on restoration costs. Federal courts generally rely on state laws to determine wildfire damages.

U.S. prosecutors suggested the proposal could affect their pending case against the state's largest landowner, Sierra Pacific Industries, and other defendants for a 2007 fire in Lassen and Plumas counties where damages could reach \$600 million.

Read the whole story

Loop road opponents dominate SLT council meeting

By Kathryn Reed

If the loop road project were completed, will a section of South Lake Tahoe become a ghost town as drivers avoid a significant commercial segment of town, or will it stimulate the economy?

If Highway 50 and city streets in the Stateline area were left as they are, will this be good or bad for the city financially?

Plenty of people have an array of opinions, but no hard facts have come forward to put substance to their thoughts.

On Tuesday night the South Lake Tahoe City Council got an earful about what people think about the proposal that would eliminate 88 dwellings where 245 people live. Thirteen businesses would be affected in some way. "Affected" has yet to be defined. No residents or businesses in Nevada would be relocated.

All of this would be so traffic on Highway 50 would be rerouted through a neighborhood on the mountain side behind Harrah's and MontBleu, with the idea it would provide a more walkable, scenic area in the Heavenly Village-casino corridor areas.



Businesses in South Lake Tahoe are making it known how they feel about the loop road. Photo/LTN

The May 29 evening workshop was intended to give the public an opportunity to weigh-in with their thoughts about this project that is being driven by the Tahoe Transportation District – not the city, not Douglas County, and neither state transportation agency.

More than 50 people attended the meeting.

What was not pointed out is TTD can go forward with the project, even if the council never gives its blessing, as long as eminent domain is not required.

Of the 26 people who spoke, five were in favor of the project, 13 against and eight were not definitive in their stance. However, of those eight, more were critical than supportive.

Eleven letters were submitted, though not read into the record despite the writers asking for that to happen. All were against the project.

Bill Cherry, an attorney representing a business owner in the project area, handed the council members a petition with 106 signatures from business people who are against the loop road.

Terry Hackett, who is the controlling partner of the Village Center, said he has yet to formulate an opinion.

"We'll review the economic impacts," Hackett told the council.

But no one has commissioned a thorough economic analysis.

The environmental documents that will be prepared for the loop road will include an economic component, but not a substantive one that addresses some real concerns the city would have. This is because the loop road is a transportation project, not an economic stimulus project.

The South Shore Vision Plan, the proposal that would revamp the highway from Ski Run Boulevard to Kahle Drive, does have an economic feasibility component. Carl Ribaud with SMG Marketing is putting that study together. He is also one of the people who spoke at the special council meeting in favor of the loop road.

However, the impacts to businesses in the loop road area that would not be demolished and/or relocated are not being studied. This was part of Hackett's point.

If the road were rerouted, people would go behind his shopping center where there is no signage. He added had a loop road been proposed in 1980 when he bought what was then known as the Crescent V Center, he would not have done so.

Pete MacRoberts, who operates the Holiday Inn Express, said there is no way guests can merely use the Carrows driveway.

Randy Vogelgesang, South Tahoe Public Utility District's board liaison to the city, said, "A lot of time infrastructure is relocated at our expense and that is passed on to ratepayers."

How other utilities – like gas, electric, telephone and cable – would be affected and the residual impacts on ratepayers has not been brought forward to the public.

The council never intended to take action Tuesday. But most have strong feelings.

"I don't support using eminent domain again," Councilman Hal Cole said.

People intimately familiar with eminent domain spoke – like Lou Pierini who went through it with other redevelopment projects.

"Of the 100 businesses displaced, I'm the only one left," he told the council.

"I think the council needs to make a decision early," Councilman Bruce Grego said. He wants the council to take a vote in the fall before the process is dragged out any longer and more money is spent.

Tahoe Transportation District has money to get through the design process – of which 10 percent is done. It's estimated the project could cost \$70 million to build – of which about half is projected to be spent on acquisition and relocation of property and people. However, not a penny of that money has been secured.

A relocation plan is expected to be released any day. Comments on it will be taken for 30 days. If the project goes forward, rights of ways and relocation could begin in 2014.

Councilwoman Angela Swanson said, "To me this is a huge land use piece for the city. We need to see if it pencil's out." She wants to look at the broad vision of the city instead of viewing the loop road as an isolated project.

Paul Genasci, whose office is not in the project area, said, "This town does not just exist in the casino corridor." He said complaints from tourists are about blight, not the congestion in the casino corridor. He questions if tourists have been asked what they think since the project appears geared to improving the tourist experience.

Dominic Acolino, general manager for Embassy Suites, said his guests are frustrated with the infrastructure on the South Shore. He mentioned how he suggests they go to Van Sickle Bi-State Park, but warns them to be careful because there are no sidewalks.

What he failed to mention is if the loop road project he supports goes through, a state highway will go in front of the only bi-state park in the country.

Jay Kniep believes the environmental gains touted from the project could be achieved without rerouting the road, just like they were with the Heavenly Village project. He also questions the old studies being used that call for an increase in traffic on the highway when in fact the reality is fewer vehicles are on the road.

The draft environmental documents are expected to be released this fall. The soonest construction could begin is 2016.

S. Lake Tahoe council skips headhunter; Kerry city manager for at least 90 days

Nancy Kerry will be city manager of South Lake Tahoe at least until Oct. 1.

The City Council at a special meeting Tuesday night voted 4-1 to put Kerry, who is current assistant city manager until Tony O'Rourke leaves at the end of June, in the top job. Councilman Tom Davis was the lone dissenter. He favored a full search for the next city manager.



Nancy Kerry

The council also on May 29 on a 5-0 vote hired Ralph Anderson & Associates to perform a background check on Kerry. This was one of four firms who earlier this month gave presentations to the council with a desire to become the headhunting firm to find the next city manager. The fee will not exceed \$2,000.

Kerry, who was not at the meeting because she is on vacation,

will have her interim contract on the June 5 agenda. She will be making \$2,000 more a month starting July 1 – for what would be \$141,240 a year. (O'Rourke makes \$175,000.)

– Kathryn Reed

El Dorado County judges told to follow the law, not make their own

By Denny Walsh, Sacramento Bee

The El Dorado County judiciary's penchant for doing things its own way has run afoul of a state appeals court.

The bottom-line question before the higher court was: Can judges ignore a law they don't like and make their own rule?

A resounding "No" was the answer from the Sacramento-based 3rd District Court of Appeal.

El Dorado Superior Court adopted a local rule mandating that all misdemeanor defendants be present at what is usually the last in-court proceeding before trial. It is called a "readiness and settlement conference," and it is "the last possible point of negotiation," at which a defendant either agrees to a plea deal or defense counsel and the prosecutor announce they are ready for trial.

The judges in El Dorado County decided the absence of the

defendant precludes a meaningful conference because no settlement is possible without the acquiescence of the accused. They argue that if a defendant says on the day trial is set to begin that he will accept a plea bargain, valuable resources have been wasted, including a jury pool summoned to the courthouse and trial preparation by the district attorney's office.

Read the whole story

South Tahoe SWAT team adds Humvee to arsenal of tools

In 1986, when the Humvee was brand new, the price was \$173,000.

In 2012, the used Humvee cost the South Lake Tahoe Police Department zero dollars. It came to the department from the military.

South Side Auto Body painted it for free.



South Lake Tahoe Police Department's latest toy.

Photo/LTN

Some cash will be put out by the department to equip it the way they want it so it can be used by the SWAT team. This will be the department's first armored vehicle.

Officer Travis Cabral told *Lake Tahoe News* the special windshield that is on order weighs 100 pounds. He said the whole vehicle has been overhauled, has an engine with 4,000 miles and all new tires.

Police Chief Brian Uhler said it's already been used to rescue a climber off Twin Peaks. Without the Hummer, rescue crews would have had to carry the injured woman out on a stretcher. The vehicle got her down faster and easier.

– *Lake Tahoe News staff report*