

LETTER: Iranian election shows people are against spiritual leader Khamenei

“The two ex-presidents Rafsanjani and Khatami, who are in favor of changes in the policies of the Iranian government, endorsed Rouhani, Coupled with this was that the supporters of the green movement saw Rouhani as the best chance to create changes from within. All this resulted in the public to swing and go for Rohani...”

“It is remarkable that the person with the second most votes, the mayor of Tehran, was also a moderate and also at odds with Khamenei.

“This goes to show that how much the people are against the spiritual leader Ayatollah Khamenei and how much they want to change the current policy...”

The big incinerator deal question: What is Harrisburg bond insurer AGM thinking?

by **Bill Keisling**

...AGM is the bond insurer of Harrisburg's defaulted debt. The company is the city's largest single creditor. AGM is also thought to be the last holdout against the city receiver's plan to keep Pennsylvania's capital city and its incinerator authority out of bankruptcy court...

AGM, for its part, in its 2012 annual report, writes, *“The Company has \$154 million of net par exposure to The City of Harrisburg, Pennsylvania, of which \$92 million is BIG (Below Investment Grade -editor). The Company has paid \$13 million in net claims as of December 31, 2012, and expects a full recovery.”*..

At its simplest, the mind reading parlor game concerning AGM goes something like this, and involves only two possible outcomes:

- AGM will agree to the Harrisburg receiver's plan and take a haircut, since it risks more should the case proceed to federal bankruptcy court.
- AGM will not agree to the receiver's plan, since doing so may only expose itself to litigation, perhaps from its own angry shareholders, guarantors, or investors.
- Agreeing to take a loss may also send the wrong signal to other municipalities considering default....

In 2008, when the Harrisburg Authority first defaulted on its incinerator bond debt and calls were heard to declare bankruptcy, municipal bond defaults were unheard of. Until that time, municipal bonds were considered extremely safe investments. There had never been a municipal bond default, and so there was little or no settled, or 'developed,' case law involving municipal defaults.

Part of AGM's sphinx-like silence and strategy in Harrisburg in the last year or so almost certainly involved waiting to see what would happen with Jefferson County, Alabama, and Stockton California in bankruptcy court...

Even worse news for AGM, and perhaps Harrisburg, came with the threatened

bankruptcy of Detroit, which now has a receiver. Detroit dwarfs all the other cases combined...

AGM *"insures \$2.2 billion of the city's debt, the bulk of which is water and sewer bonds, and \$355 million of (general obligation) bonds,"* The Bond Buyer reports...

Will a looming Detroit bankruptcy only encourage AGM not to take a deal with Harrisburg's receiver, in hopes of developing even more case law should the Motor City file a Chapter 9 bankruptcy petition?

Will that spell the end for the Lancaster County Solid Waste Management Authority's bid to purchase the Harrisburg trouble plagued and environmentally challenged Incinerator?

NEW YORK TIMES

Article "Clean Air Act, Reinterpreted, Would Focus on Flexibility and State-Level Efforts" opens:

"With no chance of Congressional support, President Obama is staking part of his legacy on a big risk: that he can substantially reduce greenhouse gas emissions by stretching the intent of a law decades old and not written with climate change in mind."

WATCHDOG: Sometimes circumstances will not permit the accomplishment of one's goals, but that should not deter efforts.

Major changes come from educating the next generations. Today's setbacks are the stepping stone for future success... often achieved by others.

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