

**World/Nation**

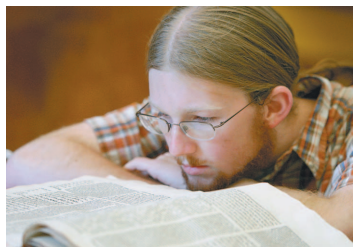
► **Under fire:** Four U.S. soldiers inside a Mosul police station are shot at — by two Iraqi police officers. **A2**

► **Iran expert:** Dennis Ross is appointed adviser to Secretary of State Hillary Clinton. **A3**

► **Gun ruling:** The Supreme Court upholds a broad federal law that strips gun rights from people convicted of a domestic-violence crime. **A6**

► **Prostate advice:** Medical groups advise men who are regularly screened for prostate cancer to consider taking a drug to prevent it. **A7**

**Bay Area**



Paul Chinn / The Chronicle

► **Antique print:** In an unusual Cal offering, students learn to set type and make books with an 1856 press. **B1**

► **Discrimination suit:** A transsexual says she was abused while working at Burlington Coat Factory. **B3**

**Business**

► **Low-cost air travel:** A summerlong fare sale by Air-Tran Airways is being matched by rival airlines. **C1**

► **All eyes on Yahoo:** A year after being rebuffed, Microsoft's Steve Ballmer is taking a new look at Yahoo. **C1**

► **Stocks buoyed:** Fed Chairman Ben Bernanke says the recession might end this year, and the markets rebound. **C1**

► **The Bottom Line:** The financial crisis raised talk of "zombie banks" and "bad banks." But little has been said about "good banks." **C1**

**Sporting Green**



Stuart Franklin / Getty Images

► **Tiger returns:** After an eight-month absence following knee surgery, Tiger Woods makes his 2009 PGA Tour debut today. **D1**

► **No. 1 falls:** Providence knocks off top-ranked Pittsburgh 81-73. **D4**

**Datebook**

► **DIY garage:** An Oakland couple transform a shed with friends' and family's help. **E1**

► **Robotic surgery:** Catherine Mohr of Stanford is working on a robotic surgical arm that could change medicine. **E1**

► **Musicmakers:** Tim Goodman reviews "The Chris Isaak Hour," a new Bio channel show of interviews with musicians. **E1**

► **Prison stories:** Mehri Dagher's paintings and new book delve into the years she spent in a women's political prison in Iran. **E2**

**Today's extra**

► **Blast from the past:** A look back at classic front pages from our archives — today's extra in The Chronicle's series of 144 special surprises and treats for readers in celebration of the paper's 144th birthday. **B2**



# San Francisco Chronicle

SFGATE.COM ★★★★★ 21356 WEDNESDAY, FEBRUARY 25, 2009 PRINTED ON RECYCLED PAPER 75¢

MEDIA  
**Chronicle faces cuts in staff, expenses**

CHRONICLE STAFF REPORT

The Hearst Corp. on Tuesday announced an effort to reverse the deepening operating losses of its San Francisco Chronicle by seeking near-term cost savings that would include "significant" cuts to both union and nonunion staff.

In a statement, Hearst said that if the savings cannot be accomplished "quickly," the company will seek a buyer, and if none comes forward, it will close The Chronicle. The Chronicle lost more than \$50 million in 2008 and is on a pace to lose more than that this year, Hearst said.

Frank J. Vega, chairman and publisher of The Chronicle, said, "It's just a fact of life that we need to live within our means as a newspaper — and we have not for years."

Vega said plans remain on track for a June 29 transition to new presses owned and operated by Canada-based Transcontinental Inc., which will give The Chronicle industry-leading color reproduction.

If the reductions can be accomplished, Vega said, "We are optimistic that we can emerge from this tough cycle with a healthy and vibrant Chronicle."

The company did not specify the size of the staff reductions or the nature of the other cost-saving measures it has in mind. The company said it immediately will seek discussions with Northern California Media Workers Guild Local 39521 and International Chronicle continues on A8

THE PRESIDENT'S ADDRESS TO THE NATION

## 'We will recover'



Pablo Martinez Monsivais / Associated Press

Vice President Joe Biden and House Speaker Nancy Pelosi applaud as President Obama is welcomed to the House Chamber.

### 'Time to take charge of our future,' Obama declares, pledging to rebuild U.S. economy 'stronger than before'

By Zachary Coile  
CHRONICLE WASHINGTON BUREAU

WASHINGTON — President Obama, in his first speech to Congress, acted as the nation's scold-in-chief.

He scolded unscrupulous lenders who took advantage of borrowers. He scolded borrowers for buying homes they couldn't afford. He scolded students who drop out of high school. And he scolded policymakers for refusing to make hard choices.

"In other words, we have lived through an era where too often, short-term gains were prized over long-term prosperity, where we failed to look beyond the next payment, the next quarter or the next election," he told the packed House Chamber.

The televised speech was a sequel to his inaugural address, in which he called for a "new era of responsibility." But after trying to charm Republicans for weeks, Obama's speech was also a feisty decla-

ration that he will move forward on health care reform, climate change legislation and tax reform — with or without their help.

"The time to take charge of our future is here," he said, moments after assuring the nation that "We will rebuild, we will recover, and the United States of America will emerge stronger than before."

Obama rekindled the theme of responsibility as he urged tougher regulations of Wall Street

Obama continues on A9

**Inside**

► **Appointment:** Rep. Hilda Solis of Los Angeles County wins confirmation as chief of President Obama's Labor Department, giving the agency a decidedly pro-worker tilt. **A9**

► **Grim year:** Bay Area and national home prices plummeted by record amounts in December, wrapping up a year of soaring foreclosures and economic troubles.

► **Lack of confidence:** The Conference Board's monthly index of consumer confidence has plunged to its lowest level since the measure was first taken in 1967. **Business, C1**

CALIFORNIA CONSTITUTION  
**Summit blasts 2/3-vote mandate**

By John Wildermuth  
CHRONICLE STAFF WRITER

SACRAMENTO — California opinion leaders who turned out Tuesday at a forum on government reforms said their top priority is getting rid of the Legislature's requirement for a two-thirds vote to approve state budgets and taxes, which has been blamed for record-long budget delays.

The supermajority rule and the mammoth effort it took the Legislature to find the needed votes last week to pass the new budget dominated the all-day summit, which looked at possible reforms to government in the state and the best way to bring them about.

"We have to drop the two-thirds rule," said Mark Paul, a senior scholar with the New America Foundation, a non-partisan public policy institute. "It's been a social science experiment for the past 75 years for the budget and the last 30 years for taxes, and it has failed utterly."

Lt. Gov. John Garamendi called the two-thirds rule — approved by voters in 1933 as a constitutional amendment for budgets and extended to tax increases as part of voter-approved Proposition 13 in 1978 — an affront to democracy.

"In Sacramento, it's not majority rule, but minority Constitution continues on A12

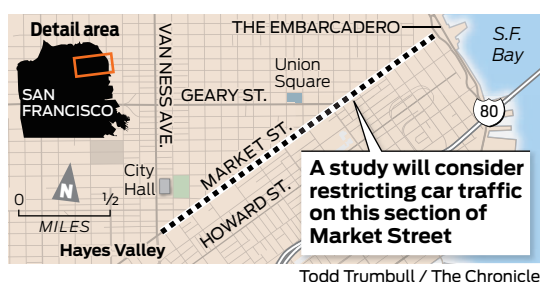
RETHINKING A THOROUGHFARE



Michael Macor / The Chronicle

Pedestrians cross Market Street at First Street, an area that city leaders are considering making off-limits to private cars.

## Car-free Market Street? S.F. to study idea



By Rachel Gordon  
CHRONICLE STAFF WRITER

San Francisco officials are considering limits on when and where private cars can drive on Market Street in an effort to make the thoroughfare faster for buses and safer for pedestrians and bicyclists.

City supervisors, acting in their role

as commissioners of the San Francisco County Transportation Authority, agreed Tuesday to a comprehensive study of whether to restrict cars on the downtown stretch of Market Street from the Embarcadero to Van Ness Avenue.

"There's a growing momentum to restrict cars, but it will probably be done in baby steps," said Supervisor Chris

Market Street continues on A8

RENEWABLE ENERGY

## New role for PG&E: financing, building solar power plants

By David R. Baker  
CHRONICLE STAFF WRITER

The credit crisis has pushed Pacific Gas and Electric Co. into a new business — bank-rolling renewable power plants.

The utility announced plans Tuesday for a five-year program to build enough solar projects throughout its territory to generate as much as 500 megawatts of electricity, roughly the same output as a mid-size fossil fuel power plant. Using money from a proposed increase in electricity bills, PG&E would own half of those plants and buy power from the rest.

That's a big change from the way utilities usually do business, and it comes in response to the nation's economic collapse.

Most of the time, utilities let other companies finance and build power plants, including solar plants and wind farms. The utilities then buy electricity from those plants, rather than owning them outright. But, as the credit crisis deepened last fall, banks stopped lending to renewable power developers, potentially crippling California's long-running effort to expand the use of alternative energy.

PG&E has a steady stream of income, however, courtesy of the monthly bills of its 5.1 million electric customers. So the utility will pour about \$1.4 billion into developing and owning its own fleet of small, photovoltaic power plants.

"Given our size and credit rating and strength, we can move forward where others

PG&E continues on A8

On SFGate.com

**Publishers R.I.P.?**  
Business gets tougher than ever. sfgate.com/ZGFZ

**Messy car pix:** Win a deluxe car wash in contest. sfgate.com/ZGGB

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Weather

Chance of rain.  
Highs to 63.  
Lows to 38. **D8**

