



# REGULATORY AGENCY ACTION

Board's staff consists of an executive secretary, three legal assistants and two secretaries.

## MAJOR PROJECTS:

*Status Report on Certification Fees.* Pursuant to Business and Professions Code section 9889.75, NMVB has been collecting fees from manufacturers and distributors of new motor vehicles for the purpose of funding the Bureau of Automotive Repair's (BAR) certification of third party dispute programs. (See CRLR Vol. 9, No. 3 (Summer 1989) pp. 121-22; Vol. 9, No. 1 (Winter 1989) p. 101; and Vol. 8, No. 4 (Fall 1988) p. 116 for complete background information.)

At the request of BAR, NMVB recently amended section 553.70, Title 13 of the California Code of Regulations (CCR), to decrease the amount assessed for purposes of funding the program from 41 cents per vehicle to 11 cents per vehicle. The Office of Administrative Law (OAL) approved this regulatory change, which became effective on September 15. Billing for 1989-90 fees began on September 29; thus far, \$116,202 has been collected.

*Other Regulatory Changes Adopted.* Following a May 5 public hearing, NMVB adopted other proposed changes to its regulations in Title 13 of the CCR. The Board amended sections 550, 554, and 595 to specify that petitions may be filed against new motor vehicle dealers, and to eliminate the requirement that petitioners be California residents. The Board also adopted new section 555.1, amended sections 555, 556, 557, 558, and 562, and repealed section 559, to simplify existing petition procedures in a number of ways. Finally, the Board moved section 579 regarding the availability of subpoenas in protest hearings from Article 4 to Article 1, and renumbered it as section 551.2. (See CRLR Vol. 9, No. 2 (Spring 1989) p. 116 and Vol. 9, No. 1 (Winter 1989) pp. 101-02 for detailed background information on these changes.) At this writing, OAL is still reviewing the Board's rulemaking file on these regulatory changes.

## LEGISLATION:

The following is a status update on bills reported in detail in CRLR Vol. 9, No. 3 (Summer 1989) at page 122:

*AB 1104 (Torres)* requires that new motor vehicle dealers be charged fees sufficient to fully fund NMVB's activities other than the certification of third party dispute resolution processes. The Board is authorized to recover the direct cost of those activities by charging the Bureau

of Automotive Repair. This bill was signed by the Governor on July 21 (Chapter 193, Statutes of 1989).

The following bills were made two-year bills, and may be pursued when the legislature reconvenes in January: *AB 552 (Moore)*, which would give buyers of a motor vehicle pursuant to a conditional sales contract or purchase order the right to cancel the contract or purchase order, without penalty or obligation, until midnight of the first business day after the day on which the contract was signed; *SB 582 (Green)*, which would delete existing separate statutory provisions relating to lessor-retailers, and provide instead for their licensing and regulation under the same provisions which apply to dealers; and *SB 587 (Doolittle)*, which, as amended July 5, would make it unlawful for any person to provide, as defined, unsafe, improperly equipped, unsafely loaded, or unregistered vehicles to a highway carrier.

## FUTURE MEETINGS:

To be announced.

## BOARD OF OSTEOPATHIC EXAMINERS

*Executive Director: Linda Bergmann (916) 322-4306*

In 1922, California voters approved a constitutional initiative which created the Board of Osteopathic Examiners (BOE). BOE regulates entry into the osteopathic profession, examines and approves schools and colleges of osteopathic medicine and enforces professional standards. The 1922 initiative, which provided for a five-member Board consisting of practicing osteopaths, was amended in 1982 to include two public members. The Board now consists of seven members, appointed by the Governor, serving staggered three-year terms.

The Board's licensing statistics as of August 1989 include the issuance of 1,481 active licenses and 450 inactive licenses to osteopaths.

## MAJOR PROJECTS:

*Regulatory Changes.* At its June 23 meeting in Irvine, BOE approved numerous changes in its regulations, which appear in Chapter 16, Title 16 of the California Code of Regulations (CCR). These changes include an amendment to section 1621 regarding approved written examinations for reciprocity licensure; the addition of sections 1660-1662 to implement BOE's Impaired Physicians'

Diversion Program; an amendment to section 1676(a) which allows BOE to register previously unauthorized fictitious names; and amendments to sections 1690(f), (g), (i), and (j), which lower the annual tax and registration fee, the inactive certificate fee, the medical corporation renewal fee, and the fictitious name permit renewal fee. (See CRLR Vol. 9, No. 3 (Summer 1989) p. 122 for background information on these regulatory changes.)

At this writing, the Office of Administrative Law is reviewing these proposed changes.

## LEGISLATION:

The following is a status update of bills described in detail in CRLR Vol. 9, No. 3 (Summer 1989) at page 123:

*AB 1180 (Leslie)*, as amended August 22, sets BOE's certification fee and annual tax and registration fee; increases the penalty for failure to pay the annual tax and registration fee; adds an oral and practical examination fee; and provides that BOE shall hold one meeting during the first quarter of each calendar year at a time and place designated by the Board. This bill was signed by the Governor on September 29 (Chapter 1101, Statutes of 1989).

*AB 1249 (Bader)* provides that no medical school or clinical training program shall discriminate with respect to offering elective clerkships or preceptorships in any medical school or clinical training program in this state against osteopathic medical students enrolled in an approved school. This bill was signed by the Governor on September 13 (Chapter 425, Statutes of 1989).

## FUTURE MEETINGS:

To be announced.

## PUBLIC UTILITIES COMMISSION

*Acting Executive Director:*

*Wesley Franklin*

*President: G. Mitchell Wilk (415) 557-1487*

The California Public Utilities Commission (PUC) was created in 1911 to regulate privately-owned utilities and ensure reasonable rates and service for the public. Today the PUC regulates the service and rates of more than 25,000 privately-owned utilities and transportation companies. These include gas, electric, local and long distance telephone, radio-telephone, water, steam heat utili-



ties and sewer companies; railroads, buses, trucks, and vessels transporting freight or passengers; and wharfingers, carloaders, and pipeline operators. The Commission does not regulate city- or district-owned utilities or mutual water companies.

It is the duty of the Commission to see that the public receives adequate service at rates which are fair and reasonable, both to customers and the utilities. Overseeing this effort are five commissioners appointed by the Governor with Senate approval. The commissioners serve staggered six-year terms.

In late 1987, the PUC renamed three of its organizational units to clarify their roles and responsibilities. The former Evaluation and Compliance Division, which implements Commission decisions, monitors utility compliance with Commission orders, and advises the PUC on utility matters, is now called the Commission Advisory and Compliance Division. The former Public Staff Division, charged with representing the long-term interests of all utility ratepayers in PUC rate proceedings, is now the Division of Ratepayer Advocates. The former Policy and Planning Division is now the Division of Strategic Planning.

The PUC is available to answer consumer questions about the regulation of public utilities and transportation companies. However, it urges consumers to seek information on rules, service, rates, or fares directly from the utility. If satisfaction is not received, the Commission's Consumer Affairs Branch (CAB) is available to investigate the matter. The CAB will take up the matter with the company and attempt to reach a reasonable settlement. If a customer is not satisfied by the informal action of the CAB staff, the customer may file a formal complaint.

## MAJOR PROJECTS:

*SCE's Proposed Acquisition of SDG&E.* The PUC's consideration of Southern California Edison's (SCE) proposed acquisition of San Diego Gas and Electric Company (SDG&E) continues in the prehearing stage. (See CRLR Vol. 9, No. 3 (Summer 1989) p. 123 and Vol. 9, No. 2 (Spring 1989) p. 117 for background information.) The utilities filed their affirmative showing, including environmental testimony, on April 14. On April 24, PUC's Division of Ratepayer Advocates (DRA) held a workshop for the parties in San Diego. On May 1, the parties filed their opening statements in preparation for a major May 8 prehearing conference in San Diego. Meanwhile, document discovery has commenced.

Formal PUC hearings are not expected to begin until April 1990; the Federal Energy Regulatory Commission (FERC) is scheduled to begin its hearings on the proposed acquisition on January 23, 1990.

On May 11, PUC Administrative Law Judge (ALJ) Lynn Carew ruled that DRA's conclusions about SCE's history of self-dealing with sister companies to the detriment of its customers are relevant to the PUC's investigation of the proposed merger. In another proceeding, DRA concluded that SCE paid too much for electric power from three major affiliates, thus enriching SCE's holding-company parent and costing SCE ratepayers millions of dollars. The merger proceedings will not determine whether the propriety of the "sweetheart" contracts, as two separate PUC investigations are currently exploring that issue. However, the PUC staff wants to determine if such questionable contracts are likely to be written by SCE affiliates in SDG&E's territory if the merger is approved. The staff also wants to determine if any merger approval should be conditioned on new regulations to ban such practices.

In May, the PUC staff began work on an Environmental Impact Report (EIR) on the proposed merger. On September 8, the PUC released a preliminary "Scoping Report" which set forth the environmental issues identified in the study. The areas earmarked for study include air quality, water resources and fisheries, energy production and system reliability, socioeconomic effects, transportation and circulation, noise, hazardous materials and safety, and electromagnetic radiation effects. The tentative schedule calls for the draft EIR to be ready in January 1990. Certification of a final EIR is expected in May 1990.

*Alternative Regulatory Framework Proposed Decision.* On August 17, PUC ALJ Charlotte L. Ford proposed that incentive regulation replace the traditional cost-of-service regulation for the state's two largest telephone companies, Pacific Bell and GTE-California. This proposed decision emerged from Phase II of the Commission's Alternative Regulatory Framework proceeding, in which the PUC is examining the way it regulates telephone companies. (See CRLR Vol. 9, No. 3 (Summer 1989) pp. 123-24; Vol. 8, No. 4 (Fall 1988) p. 119; and Vol. 8, No. 1 (Winter 1988) pp. 105-06 for background information.)

Some of the key provisions in this incentive regulation proposal are:

- pricing flexibility for some (non-monopoly) services where PacBell and GTE have growing competition;

- equal access to local phone networks for specialized telecommunications services by the telephone companies' competitors;

- use of the GNP-PI (Gross National Product-Price Index) inflation index, less a productivity target of 4%, for annual rate adjustment. This means that phone rates would fall or rise depending on the inflation rate, minus the 4% productivity factor. Inflation must go up by 5% for phone rates to go up 1%; if inflation goes up by 2.5%, the utilities will have to reduce their rates by 1.5% (currently, AT&T is operating with a 3% productivity factor);

- rates will be adjusted every year to account for changes in inflation and productivity from the preceding year;

- a benchmark profit level is 12.75%. Profit between 12.75% and 16.75% would be split between the telephone company shareholders and consumers through rate reduction. Any profit above 16.75% would be returned to the customers;

- a rate reduction in 1990 for Pacific Bell's customers and possibly GTE's customers;

- sometime in 1990, an expansion of the local calling area from the current eight miles to twelve miles, and the elimination of the \$1.20 charge for residential touch-tone service; and

- approval of Pacific Bell's request to spend \$404 million to replace outdated switching equipment. This may cause rates to go up \$11 million in 1990 to cover these costs.

Interested parties had twenty days to comment on the proposal. The PUC was scheduled to meet on October 12 to determine whether to approve the proposed decision. If the proposal is adopted by the PUC, it will become effective on January 1, 1990.

*PUC Awards \$5 Million from the Telecommunications Education Trust.* This trust fund consists of \$16.5 million in penalties assessed by the PUC against Pacific Bell for marketing abuses in 1985-86, which directly affected limited-English speakers, low-income or inexperienced consumers, residential customers, and small business owners. (See CRLR Vol. 9, No. 2 (Spring 1989) p. 117 and Vol. 8, No. 4 (Fall 1988) p. 119 for background information.) On June 21, the PUC awarded nearly \$5 million in grants from the Telecommunications Education Trust to 32 nonprofit organizations to improve consumers' understanding of the changing world of telecommunications. The bulk of the funds went to nonprofits addressing the Trust's top priority: low-income and limited-



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English-speaking populations. Grants were also awarded for programs to educate senior citizens, migrant farmworkers, family counseling centers, and elected officials in areas with low-income and minority populations.

*Realignment of Residential Energy Rates Continues.* As required by SB 987 (Dills) (Chapter 212, Statutes of 1988), the PUC recently allowed energy utilities to change the structure of residential baseline billings. This legislation—criticized by consumer groups—was in response to customer complaints about unexpectedly high bills during periods of high energy use brought on by unusually cold winters. (See CRLR Vol. 9, No. 1 (Winter 1989) p. 104; Vol. 8, No. 4 (Fall 1988) p. 120; and Vol. 8, No. 3 (Summer 1988) p. 127 for background information.)

For the stated purpose of lessening the impact of abnormally high energy use, the PUC is phasing in a new baseline program over the next three years. The PUC has already allowed utilities to raise baseline rates while lowering "second tier" rates. The program will reduce the over-baseline rates, while raising the baseline rates and reducing the baseline allowances.

In July and September, the PUC complied with another provision of SB 987 by creating a program to give qualifying low-income residential customers a 15% discount off their gas and electric bills starting November 1. The Commission approved eligibility criteria for the Low-Income Baseline Ratepayer Assistance (LIBRA) program so that utilities could begin notifying customers about the existence of the program, and begin accepting applications for, identifying, and enrolling qualified low-income consumers into LIBRA. The utilities were expected to publicize LIBRA through a notice in September energy bills; it will be up to customers to apply for the program. The utilities will be allowed to collect the costs of the program in their rates.

*Increase in Consumer Role in DEAF Telecommunications Program.* The Deaf Equipment Acquisition Fund (DEAF) Program helps provide telecommunication devices for the deaf. These devices allow hearing-impaired persons to communicate with other hearing-impaired users either directly or with the assistance of relay operators. (See CRLR Vol. 9, No. 2 (Spring 1989) p. 118 and Vol. 8, No. 4 (Fall 1988) p. 120 for background information.) As part of a year-long review of the DEAF program, the PUC held formal hearings followed by

informal workshops in July-August 1988, which resulted in a settlement among various parties.

On May 26, the PUC generally accepted most of the recommendations in the settlement, including a proposal to restructure the program. The PUC bolstered consumer group involvement in the program by enlarging the Deaf and Disabled Telecommunications Program Administrative Committee from four members to nine: four utility representatives, four consumer representatives, and the PUC executive director or designee.

The PUC also formed a five-member panel, the California Relay Service Advisory Committee, to oversee the conduct of the relay service which provides a link between deaf and disabled telephone users and the hearing community through an AT&T-operated relay center. The committee consists of one representative of the company providing the relay service, and one representative each of the speech-impaired, hard of hearing, deaf, and hearing communities.

Finally, the Equipment Program Advisory Committee, formerly the Equipment Standardization Committee, consists of three utility representatives and four consumer representatives. Two non-voting members will be added, one representing the relay service provider, the other representing the PUC.

On August 28, the Auditor General's Office issued a report expressing concern that the PUC is not fully ensuring that the relay service is being provided in the most cost-effective manner, and that—at the rate the DEAF Trust is presently being spent—it may be depleted in fiscal year 1992-93. The Auditor General recommended that the PUC request legislative help in funding the program, and also suggested that the PUC consider cost-saving alternatives in the present program. (See *supra* agency report on OFFICE OF THE AUDITOR GENERAL for further information.)

*Customer-Owned Pay Telephone (COPT) Hearings.* In response to consumer complaints, the PUC has been investigating COPT services and payphone operations since April 1988. (See CRLR Vol. 9, No. 1 (Winter 1989) p. 106; Vol. 8, No. 3 (Summer 1988) p. 125; and Vol. 8, No. 2 (Spring 1988) p. 98 for background information.) This investigation resulted in a series of workshops participated in by the California Payphone Association, Pacific Bell, AT&T, GTE California, Contel, the PUC, TURN, and other interested parties. The workshops culminated in a settlement agreement which was the

subject of public hearings in September and an evidentiary hearing in San Francisco on September 28-29. Some points in the settlement that are beneficial to consumers include the following: all local telephone calls made from payphones would be stabilized at 20 cents for five years; payphones would provide cost-free services such as 411 (information), 911 (emergency), and 611 (repairs); payphones would provide coin return for uncompleted calls; payphones would provide clear, legible signs explaining the payphone's costs and services; and the PUC will enforce these regulations over all payphones. As a trade-off, a 30-cent surcharge will be imposed upon "0" calls (e.g., credit card and operator-assisted calls), and a 15-minute time limit on local calls. A proposed decision from the presiding ALJ was expected sometime in November.

*Cellular Phone Regulation.* The PUC has been active in the regulation of the fast-growing cellular radiotelephone industry. (See CRLR Vol. 9, No. 1 (Winter 1989) p. 105 for background information.) On July 6, the PUC declared that the practice of "tying in" the sale of unregulated cellular services is illegal and a violation of the state's regulated pricing rules. Typically, the practice involves one company offering a discounted price for equipment (car phones) if the customer signs up for cellular service from a specified cellular carrier. These companies would, in return, receive some sort of compensation from the cellular carrier. The PUC's decision serves as a warning to these cellular firms.

This cellular phone investigation was prompted by complaints about PacTel Cellular's practices. The Commission also singled out PacTel Cellular's Los Angeles partnership company which PacTel Cellular operates. Although the PUC declined to issue a cease and desist order halting the practices until the investigation is completed, the Commission did note that "such violations are subject to fines and other appropriate legal action."

*Lifeline Program Surcharge is Reduced.* On June 7, the PUC reduced the surcharge levied on all toll calls made within California to support the Universal Lifeline Telephone Service Program from 4% to 2.5%. This will help bring a \$105.7 million surplus into the PUC's target range of a \$75 million surplus. The 2.5% surcharge went into effect on July 1.

### LEGISLATION:

*AB 2097 (Lempert)* requires the PUC to suspend the certificate or permit of



any corporation or carrier upon receipt of a written notification from the California Highway Patrol that the corporation or carrier has failed to maintain its vehicles in safe condition if that failure is either a consistent failure or presents an imminent danger to public safety, or is a failure to comply with certain periodic report requirements. This bill also requires the PUC to deny a new or renewal application for a certificate or permit by a charter-party carrier upon receipt of a written notification from CHP that the carrier has failed to maintain any vehicle it uses in safe operating condition or to comply with the Vehicle Code or certain regulations relative to motor carrier safety, or to comply with certain periodic report requirements. This bill was signed by the Governor on October 1 (Chapter 1216, Statutes of 1989).

*SB 845 (Rosenthal)* directs the PUC to require an electrical or gas corporation to perform home weatherization services for low-income customers if the PUC determines that a significant need for those services exists in the corporation's service territory. This bill was signed by the Governor on September 14 (Chapter 462, Statutes of 1989).

*AB 1446 (Eaves)* directs, with specified exceptions, the PUC to require any call identification service offered by a telephone corporation, or by any other person or corporation that makes use of the facilities of a telephone corporation, to allow the caller, at no charge, to withhold, on an individual basis, the display of the caller's telephone number from the telephone instrument of the individual receiving the call. This bill was signed by the Governor on September 15 (Chapter 483, Statutes of 1989).

*SB 24 (Robbins)*. Existing law requires the PUC to adopt and enforce operating requirements governing coin-activated and credit card-activated telephones available for public use owned or operated by a corporation or person other than a telephone corporation, including a requirement that the telephone corporation serving the person or corporation owning or operating the telephone terminate service for any violation of these provisions or of the PUC's rules or orders which the PUC finds to be significant or repeated. This bill requires the PUC to determine, rather than find, that a violation was a significant or repeated violation. This bill requires any determination by the PUC leading to a termination of service to be made in accordance with PUC rules or orders. This bill was signed by the Governor on

July 14 (Chapter 142, Statutes of 1989).

The following is a status update on bills reported in detail in CRLR Vol. 9, No. 3 (Summer 1989) at pages 125-27:

*SB 938 (Rosenthal)*, which requires the PUC to report to the legislature on December 1, 1990, on the final results of a plan to measure and assess the impact which regulatory flexibility may have on long distance customers of AT&T and its competitors, was signed by the Governor on August 2 (Chapter 266, Statutes of 1989).

*SB 52 (Rosenthal)*, as amended August 21, authorizes the PUC to define the activities that constitute the acquisition or control of any public utility organized and doing business in this state. This bill prohibits a subsidiary or affiliate of, or corporation holding a controlling interest in, a public utility from aiding or abetting any violation of the provisions of existing law. This bill also requires the PUC to consider certain criteria and to make certain findings before authorizing the acquisition or control of an electric, gas, or telephone utility having revenues in excess of a specified amount. This bill was signed by the Governor on September 15 (Chapter 484, Statutes of 1989).

*SB 53 (Rosenthal)*, which prohibits any subsidiary or affiliate of, or corporation holding a controlling interest in, a public utility from acquiring such an interest without the authorization of the PUC. This bill permits PUC to establish categories of stock acquisitions which it determines will not be harmful to the public interest, and exempts purchases within those categories from these provisions. This bill was signed by the Governor on September 12 (Chapter 390, Statutes of 1989).

*SB 210 (Russell)* raises the minimum protection against liability required of household goods carriers from \$15,000 to \$250,000 for bodily injury or death of one person; from \$30,000 to \$500,000 for bodily injury or death to more than one person as a result of a single accident; from \$10,000 to \$100,000 for damage or destruction of property; and \$600,000 for bodily injury or death and damage of property. This bill was signed by the Governor on August 2 (Chapter 259, Statutes of 1989).

*SB 796 (Deddeh)*, as amended August 30, would have provided that any action involving the acquisition or control of specified electric and gas utilities is a "project" which may have a significant effect on the environment for purposes of the California Environmental Quality Act, and would have required an environ-

mental impact report to be prepared and certified prior to PUC approval. This bill was vetoed by the Governor on September 30.

*SB 441 (Stirling)*, as amended August 24, would have prohibited the PUC, in establishing utility rates, except the rates of common carriers, from reducing or otherwise changing any wage rate, benefit, working condition, or other term or condition of employment that was the subject of collective bargaining. This bill was vetoed by the Governor on September 22.

*SB 560 (Rosenthal)*, which would have extended the PUC's intervenor compensation system to trucking proceedings, failed passage in the Assembly Utilities and Commerce Committee on August 21.

*SB 993 (Rosenthal)*, which requires the PUC to report to the legislature on the impact of unsolicited telefacsimile marketing communications, was signed by the Governor on September 11 (Chapter 345, Statutes of 1989).

*AB 1798 (Moore)*, which makes revenue derived from the regulation of transportation agencies in the state subject to the jurisdiction of the PUC available for new purposes relating to the regulation of highway carriers, was signed by the Governor on September 21 (Chapter 629, Statutes of 1989).

*AB 2166 (Roybal-Allard)*, as amended August 31, would have prohibited privately owned utilities under the jurisdiction of the PUC and publicly owned facilities from terminating residential service when any customer financially unable to pay for service within the normal payment period, is willing to enter into an amortization agreement. This bill was vetoed by the Governor on September 29.

*AB 543 (Moore)*, as amended August 25, specifies matters that would have to be considered at a public hearing and conditions that would have to be met before a cable television franchise could be granted in an area where a franchise has already been granted. This bill was signed by the Governor on September 22 (Chapter 700, Statutes of 1989).

*AB 901 (Killea)*, which would have required the PUC to conduct at least two public hearings before granting authorization for a person or corporation to acquire control of any public utility, failed passage in the Assembly Committee on Utilities and Commerce.

*AB 936 (Hughes)*, which specifically prohibits a telephone corporation from selling a list which includes a telephone subscriber's unpublished or unlisted access number without his/her consent,



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was signed by the Governor on July 11 (Chapter 120, Statutes of 1989).

*AB 227 (Hannigan)*, which permits an electrical or gas corporation to file a description of its proposed solar energy program and implement the program, unless the PUC orders the corporation to obtain authorization within 45 days of accepting the proposal, was signed by the Governor on August 30 (Chapter 279, Statutes of 1989).

*AB 590 (Hauser)*, which would have required public utilities to indicate on each residential bill the consumption of electricity, gas, or water during the prior year's corresponding billing period, was vetoed by the Governor on September 15.

*AB 611 (Hauser)*, which would have required electrical and gas utilities to offer baseline allowances to owners of residential hotels which do not have individual meters for each unit, was vetoed by the Governor on September 16.

*AB 689 (Moore)*, as amended August 25, prohibits nonpublic utility providers of telephone services from charging more than a specified rate for telephone services. This bill was signed by the Governor on September 29 (Chapter 1014, Statutes of 1989).

*AB 713 (Moore)*, which would have required the PUC to develop procedures for public utilities to recover, through their rates and charges, the actual amount of local taxes, fees, and assessments, and to adjust rates to correct for any differences between actual expenditures and amounts recovered, was vetoed by the Governor on September 22.

The following bills were made two-year bills, and may be pursued when the legislature reconvenes in January: *SB 769 (Rosenthal)*, which would require the PUC to exclude from rates the amount utilities pay for buying power from affiliates; *SB 1124 (Rosenthal)*, which would establish standards for PUC approval of natural gas pipelines; *SB 1125 (Rosenthal)*, which would establish rules governing ex parte "off-the-record" communications with PUC Commissioners, staff, and ALJs; *SB 1126 (Rosenthal)*, which would remove the PUC's authority to employ ALJs and would instead require that all ALJs be employed by the Office of Administrative Hearings; *SB 1219 (Rosenthal)*, which would provide a financial incentive for utilities to use cleaner-burning natural gas in place of fuel oil; *SB 1544 (Rosenthal)*, which would require the PUC to establish standards for determining when a particular telecommunications market has become competitive; *SB 136 (Montoya)*, which would prescribe the use of

any funds received from payphones used by inmates in prison; *SB 909 (Rosenthal)*, which would require the PUC to report to the legislature on the feasibility and appropriateness of public utilities selling "extra space" in billing envelopes; *SB 1375 (Boatwright)*, which would require telephone companies to inform each new subscriber that the subscriber may be listed in the directory as a person who does not want to receive telephone solicitations; *ACA 17 (Moore)*, which would increase the membership of the PUC from five to seven members and would abolish the requirement that the Governor's appointees be approved by the Senate; *AB 1974 (Peace)*, which would require the PUC to consider the environmental impact on air quality in air basins downwind from an electrical generating facility; *AB 1684 (Costa)*, which would require highway contract carriers to enter into a written contract for their services, and would require the contracts to be filed with the PUC; *AB 902 (Killea)*, which would establish a rule for determining the value of a utility that is acquired under eminent domain proceedings; *AB 903 (Killea)*, which would require any challenges to the validity of a municipal utility district incorporation to be made within thirty days; *AB 1351 (Kelley)*, which would repeal existing law and enact new provisions for the regulation of dump truck drivers; *AB 1472 (Moore)*, which would prohibit any telephone corporation from providing a new telecommunications service without first receiving authorization to do so from the PUC; *AB 1478 (Moore)*, which would require the PUC to limit the amount an electrical corporation whose incremental fuel is natural gas could pay for electricity purchased from a private energy producer; *AB 1506 (Moore)*, which, as amended September 13, would authorize the designated employees of the PUC assigned to the Transportation Division to exercise the power to serve search warrants during the course and within the scope of their employment if they receive a specified course in those powers; *AB 1784 (Katz)*, which, as amended August 22, would limit the maximum amount of the bond which must be filed with the PUC by highway carriers and common carriers of property who engage subhaulers or lease equipment from employees to \$50,000; *AB 1979 (Moore)*, which would require the PUC to license natural gas brokers and marketers; and *AB 338 (Floyd)*, which would provide that the California Supreme Court may transfer the review of an order or decision of the

PUC to the First District Court of Appeal, or in its discretion, to another court of appeal.

### FUTURE MEETINGS:

The full Commission usually meets every other Wednesday in San Francisco.

### STATE BAR OF CALIFORNIA

*President: Alan I. Rothenberg*

*Executive Officer:*

*Herbert M. Rosenthal*  
(415) 561-8200

*Toll-Free Complaint Number:*  
1-800-843-9053

The State Bar of California was created by legislative act in 1927 and codified in the California Constitution by Article VI, section 9. The State Bar was established as a public corporation within the judicial branch of government, and membership is a requirement for all attorneys practicing law in California. Today, the State Bar has over 117,000 members, more than one-seventh of the nation's population of lawyers.

The State Bar Act designates the Board of Governors to run the State Bar. The Board President is elected by the Board of Governors at its June meeting and serves a one-year term beginning in September. Only governors who have served on the Board for three years are eligible to run for President.

The Board consists of 23 members: fifteen licensed attorneys elected by lawyers in nine geographic districts; six public members variously appointed by the Governor, Assembly Speaker, and Senate Rules Committee and confirmed by the state Senate; a representative of the California Young Lawyers Association (CYLA) appointed by that organization's Board of Directors; and the State Bar President. With the exception of the CYLA representative, who serves for one year, and the State Bar president, who serves an extra fourth year upon election to the presidency, each Board member serves a three-year term. The terms are staggered to provide for the selection of five attorneys and two public members each year.

The State Bar includes 22 standing committees, 16 sections in 14 substantive areas of law, Bar service programs, and the Conference of Delegates, which gives a representative voice to 127 local bar associations throughout the state.

The State Bar and its subdivisions perform a myriad of functions which fall into six major categories: (1) testing