



REGULATORY AGENCY ACTION

ance firm that is paid more than \$1 million in annual premiums by LART. A spokesperson for the state Fair Political Practices Commission (FPPC) said in mid-March that the FPPC is investigating the relationship between Board members and HPOC.

At its February 24 meeting, the Board was asked by HPOC to amend its approval of the HPOC harness application and allocate those five weeks for the conduct of a quarter horse racing meeting in lieu of any harness racing meeting. Chair Liscom withdrew from discussion or voting on the matter; thus, Vice-Chair Chavez introduced the item into discussion.

Because CSSSC had obtained a writ from the court preventing the Board from deciding this issue until the court rules on the conflict of interest problems, the Board did not vote on the item. Instead, the Board decided to hold a special meeting to vote on HPOC's request to amend its application as soon as the court reaches a decision.

HPOC and the quarter horse owners expressed concern over the time delay of the Board's decision on HPOC's request. If granted, the quarter horses would start racing on March 31. HPOC stated it needs advance time for advertising and general preparation. The Board promised to be as accommodating as legally possible in this issue.

RECENT MEETINGS:

On February 24, the CHRB moved to hold over until its March 31 meeting its approval of licenses to operate as extended wagering facility for 22 locations.

FUTURE MEETINGS:

June 23 in Cypress.
July 27 in La Jolla.

NEW MOTOR VEHICLE BOARD

Executive Officer: Sam W. Jennings
(916) 445-1888

The New Motor Vehicle Board (NMVB) licenses new motor vehicle dealerships and regulates dealership relocations and manufacturer terminations of franchises. It reviews disciplinary action taken against dealers by the Department of Motor Vehicles. Most licensees deal in cars or motorcycles.

The Board also handles disputes arising out of warranty reimbursement schedules. After servicing or replacing parts in a car under warranty, a dealer is reimbursed by the manufacturer. The manufacturer sets reimbursement rates

which a dealer occasionally challenges as unreasonable. Infrequently, the manufacturer's failure to compensate the dealer for tests performed on vehicles is questioned.

The Board consists of four dealer members and five public members. The Board's staff consists of an executive secretary, three legal assistants and two secretaries.

MAJOR PROJECTS:

Proposed Regulatory Amendments. The NMVB has formally proposed amendments to its regulations contained in Title 13 of the California Code of Regulations. (See CRLR Vol. 9, No. 1 (Winter 1989) pp. 101-02 for detailed background information.) The Board proposes to clarify the language of its regulations to be consistent with its enabling statute. In addition, the Board recommends that section 579 regarding subpoena authority be moved to Article 1 of the Board's regulations pertaining to appeals and petitions, and renumbered as section 551.2. The Board also recommends the simplification of the procedures for petitions filed pursuant to Vehicle Code section 3050(c). A hearing on these modifications was scheduled for May 5.

LEGISLATION:

AB 552 (Moore) 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 third business day after signing the contract. AB 552 is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

SB 582 (Green) would delete the separate provisions relating to lessor-retailers, and provide for their licensing and regulation under the same provisions which apply to dealers. The bill would also create the new categories "dealer branch" and "lessor-retailer branch", and similarly provide for their licensing and regulation. SB 582 is pending in the Senate Transportation Committee.

SB 587 (Doolittle) would make it unlawful for any person to lease unsafe, improperly equipped, or unsafely loaded vehicles to a highway carrier, as defined, or to hire a highway carrier to transport any unsafe vehicle, vehicle not equipped as required, or unsafely loaded vehicle, thereby imposing a state-mandated local program by creating a new crime. This bill would also impose strict liability for death or injury, and highway and bridge damage resulting from engaging the ser-

vices of highway carriers to transport loads in violation of size and weight requirements. SB 587 is pending in the Senate Committee on Transportation.

RECENT MEETINGS:

The Board meeting scheduled for January 26 was cancelled because there was not a quorum.

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 September 1988 include the issuance of 1,330 active licenses and 498 inactive licenses to osteopaths.

At its January 10 meeting, BOE re-elected Bryn Henderson, DO, as President and Kenneth C. Stahl, DO, as Vice President. Robert M. Acosta, DO, was elected Secretary-Treasurer.

MAJOR PROJECTS:

Possible Regulatory Change. At its January 10 meeting in Sacramento, BOE again discussed the possibility of lowering the maximum fee that may be charged for a fictitious name renewal permit fee. (See CRLR Vol. 9, No. 1 (Winter 1989) p. 103 for background information.) In the future, BOE may develop regulatory language to lower the limit to an amount which would only cover costs incurred by the Board in renewing the permit.

RECENT MEETINGS:

At its January 10 meeting, BOE discussed the possibility of amending existing statutory language requiring it to meet in Sacramento on the first Tuesday in January to any time during the first three months of the year. Board members felt that this statutory change would



offer BOE more flexibility in scheduling meetings as well as ensuring that a quorum of members would be able to attend all meetings.

Also at its January meeting, BOE staff reported on the progress of a booklet which would contain its rules and regulations. (See CRLR Vol. 9, No. 1 (Winter 1989) pp. 103-04 for background information.) Staff reported that the booklet was ready to go to the printer. Upon its completion, the booklet will be distributed to all in-state osteopaths and recent graduates who pass the osteopathic exam.

FUTURE MEETINGS:

June 23 in Pomona.
August 26 in San Jose.

PUBLIC UTILITIES COMMISSION

Executive Director: Victor Weisser
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 utilities 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 Proposes Acquisition of SDG&E. On December 16, 1988, Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) applied for PUC approval of SCE's proposed acquisition of the San Diego utility. All interested parties appeared before PUC Administrative Law Judge Lynn Carew at a prehearing conference on February 3. Carew announced that the merger hearings will be subject to the "sunshine" rules. Under these rules, any party who contacts a PUC commissioner or presiding ALJ before a final decision in the merger proceeding is issued must notify all other parties of the date, time, and location of the contact, and the subject discussed. The PUC uses these rules to ensure that no party gains an unfair advantage by "off the record" comments which other parties are unaware of and unable to rebut.

Approval by the PUC is only one obstacle the proposed acquisition faces. Shareholders of both utilities must first approve the deal. Then the PUC and the Federal Energy Regulatory Commission (FERC) will conduct hearings to consider approval. Finally, the deal could be blocked by several bills now pending in both houses of the state legislature (*see infra* LEGISLATION).

Opposition by utility consumer groups and local municipalities is expected throughout the approval process. These groups contend the proposed acquisition would result in higher rates, loss of jobs in the SDG&E service area, loss of utility participation in the San Diego community, and an inefficiency utility. (*See supra* reports on TURN and UCAN.)

Telecommunications Education Trust. As part of its administration of this Trust established through a 1986 PUC order, the California Community Founda-

tion (CCF) recently issued guidelines for the Trust's distribution and held meetings around California to assist applicants who wish to obtain funding for programs designed to educate the public on government regulation of the telecommunications industry. (See CRLR Vol. 8, No. 4 (Fall 1988) p. 119 and Vol. 8, No. 3 (Summer 1988) p. 125 for background information on CCF and the Trust.)

The deadline for submittal by grant-seekers was March 1, and CCF has received over 100 proposals. These proposals will be reviewed by the Trust staff and by the PUC's Disbursements Committee. By June 21, the Trust will submit recommendations for funding to the Commission, which is expected to take action by July 12. CCF plans to distribute approximately \$3 million this year, and will monitor the progress of Trust-funded projects.

976 Blocking. Callers to 976 area code information and entertainment services are charged on a per minute basis, but many customers have complained about unauthorized use resulting in bills in the thousands of dollars. Since 1987, residential customers have had the option of blocking 976 services at essentially no cost to them; local phone companies have borne the blocking costs. (See CRLR Vol. 8, No. 2 (Spring 1988) pp. 121-22 and Vol. 8, No. 1 (Winter 1988) pp. 106-07 for background information.)

On February 24, the PUC issued an order requiring local telephone companies to offer business customers the option of blocking 976 services. The order is directed at schools and businesses which may have phones located where they cannot be monitored. At first, the cost of blocking the service will be \$1, but will increase to \$15 after the initial offer expires. In another part of its ruling, the PUC ordered that costs of providing blocking for residential customers be paid, on an interim basis, by 976 providers, but that a hearing will be held on a potentially fairer way of allocating these costs.

Additionally, the Commission suggested revisions to Pacific Bell's proposal to expand the 976 service by offering a 900 service providing recorded broadcasts, interactive messages, videotext, and live group conversations under three service category prefixes. (See CRLR Vol. 9, No. 1 (Winter 1989) p. 24 for background information on PacBell's proposal.) The PUC's revisions to PacBell's proposal focus on consumer protection by suggesting a separate prefix for sexually explicit content which contains "harmful matter"