



that violations of provisions therein may be enjoined by a district attorney. SB 2491 passed the Senate on May 9 and is pending in the Assembly Health Committee.

*AB 1924 (Bader)*, as amended, would require the Office of Statewide Health Planning and Development to create a special program to increase, particularly in underserved areas, the number of primary care osteopathic surgeons in the state. The bill would also require the Health Manpower Policy Commission to recommend contract criteria for this program, which would be funded through the contingent fund of the Board, as well as through the General Fund. AB 1924 is scheduled for an August vote on the Senate floor.

#### RECENT MEETINGS:

At its March 19 meeting, the Board discussed requiring licensees to disclose the location of their primary practice site on their renewal applications. This information is not presently requested on the application form; only the doctor's home address is requested. Board staff stated that it has had trouble reaching doctors in the past, and it would be much easier to find them at their offices. The Board will look into the feasibility of this action, and whether it may legally request this information.

#### FUTURE MEETINGS:

October 21 in Pomona.

#### PUBLIC UTILITIES COMMISSION

*Executive Director: Victor Weisser*  
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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 reason-

able, 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:

*Educational Fund Created.* On May 11, the PUC formally announced the creation of a \$16.5 million consumer trust fund to promote awareness and understanding of telecommunications among Pacific Bell's customers. PacBell was recently ordered to deposit the money into an interest-bearing trust fund, as part of its penalty for engaging in deceptive marketing practices. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 121 and Vol. 7, No. 2 (Spring 1987) p. 106 for background information.)

The five-member trust fund disbursement committee, which will decide which educational activities will be funded by the fund, includes Anthony D. Samson, Chief of the San Diego District Attorney's Fraud Division; Carl Oshiro, San Francisco consumer advocate attorney; Kim Malcolm, representing the PUC's Division of Ratepayer Advocates; Jack Eckley, a PacBell regulatory affairs manager; and PUC Public Advisor Rob Feraru, who will chair and coordinate disbursement committee activities.

The committee met on May 18 and

again on June 30; it plans to issue a request for proposals during fall 1988, with the first grants awarded by late 1988 or early 1989.

*Customer-Owned Pay Telephone Services.* The PUC has initiated an investigation of customer-owned pay telephone (COPT) services due to numerous complaints from both customers and the pay phone companies themselves. Most of the consumer complaints have concerned overcharges for local and long distance phone calls. COPT providers have charged Pacific Bell with anticompetitive tactics, including the payment of unfairly large commissions to keep its pay phones in prime business locations.

The PUC will hear testimony and hold workshops to help clarify issues in three phases. Phase I will concern cross-subsidies; that is, the use by a utility company of income from a monopoly-based service, such as toll calls within local calling areas, to compete with other companies that do not have revenue from a monopoly service. The PUC will examine whether these cross-subsidies occur and whether they violate any law, PUC order, and/or harm the public interest.

Phase II will concern the basic set of features the public may expect from any pay phone; the aspects of pay phone pricing which should be regulated by the PUC; and additional protections which may be needed.

Phase III will examine how costs can be minimized while increasing consumer choices in pay phone use. (For background information on COPTs, see CRLR Vol. 6, No. 2 (Spring 1986) p. 98; Vol. 6, No. 1 (Winter 1986) p. 82; and Vol. 5, No. 3 (Summer 1985) p. 96.)

*Alternate Operator Services.* On April 13, the PUC directed alternate operator service (AOS) providers in California to comply with PUC regulations requiring certification and filing of tariffs by telephone companies. The PUC action is in response to growing consumer complaints about excessive charges when making credit card or other "coinless" calls from pay phones.

AOS firms link up calls from coinless pay phones with long distance carriers. AOS firms typically service privately owned pay telephones, such as those in hotels, motels, and hospitals.

The PUC directed AOS companies to apply for certificates of public convenience and necessity and submit proposed tariffs within sixty days. This certification is necessary in order for an AOS provider to operate within the state.

*Sexually-Oriented and Adult Phone*



## REGULATORY AGENCY ACTION

**Messages.** In response to a request by PacBell for authorization to disconnect 976 information access services which have sexually-oriented content, the PUC on March 23 clarified that PacBell has always had the authority to set its own policy with respect to the content of 976 services, so long as that policy complies with state and federal law.

In a related action, the PUC has sent letters to all district attorneys in California asking them to enforce recent legislation (AB 976-Peace) which requires that all providers of 976 dial-a-porn offer their services only through the use of an authorized access or identification code or require payment by credit card. That law is intended to prevent minors from having easy access to dial-a-porn.

**Changes in Rules for Buses, Vans, and Limousines.** On March 9, the PUC opened a formal rulemaking proceeding and called for comments on proposals advocated by its transportation staff regarding the regulation of buses, vans, and limousines. The primary focus of the staff's recommendations is on vehicle services which carry passengers to airports. This is the fastest growing passenger market in California, accounting for 71% of the work the PUC's passenger transportation staff accomplished last year.

The staff has proposed to limit entry into the field by new carriers, primarily due to airports' concerns of overcrowding. The staff will rely on capacity plans that would be filed once or twice per year by each airport. These plans would identify existing problems and address procedures each airport uses to provide the best carrier access. Other recommendations include requiring passenger carriers to provide understandable and complete information to the public about service, and simplifying the procedures passenger carriers must follow to abandon routes when there are competitive alternatives available. The PUC currently regulates 170 common carriers and 1,670 charter-party carriers.

**Palo Verde Costs Rolled into Edison Rates.** The PUC has announced that bills for Southern California Edison customers will be going up a few cents per month because they are now being served with electricity generated at the third unit of Palo Verde Nuclear Generating Station in Arizona. This increase reflects the first-year phase-in of Edison's investment in the plant. Edison owns about 16% of the facility, with Arizona Public Service Company owning the most and several other utilities

sharing the rest. Under terms established by the PUC in 1986, Edison's cost will be phased into rates over ten years, beginning this year.

### LEGISLATION:

**AB 3554 (Moore)** would subject the PUC to the Administrative Procedure Act's procedures for the adoption, amendment, and repeal of rules and regulations by state agencies, including notice requirements and review by the Office of Administrative Law. Currently, the PUC is exempt from these requirements. This bill failed passage on the Assembly floor on June 9, but reconsideration was granted.

**AB 3489 (Moore)** would require the PUC to conduct a hearing whenever an electrical corporation requests a rate adjustment to reflect a change in the cost of fuel, electric energy, electrical capacity, or transmission services purchased by the corporation, and would further require that the PUC allow rate increases only to the extent the costs increases are found to be reasonable. This bill passed the Assembly on May 12 and is pending in the Senate Committee on Energy and Public Utilities.

**AB 3490 (Moore)** would preclude the PUC from issuing a certificate of public convenience and necessity to specified carriers unless the carrier shows and the Commission finds that the carrier, applicant, or proposed transferee is capable of complying with highway safety rules, will observe state and federal hours of service regulations for its drivers, has a preventive maintenance program for its vehicles, regularly checks the driving records of its drivers, has a safety education and training program, will maintain its vehicles in safe operating condition, and meets other specified requirements. This bill passed the Assembly on May 19 and is pending in the Senate Committee on Energy and Public Utilities.

**AB 4031 (Polanco)** would require the PUC, after January 1, 1989, to publish its orders and decisions within one year after issuance. This bill passed the Assembly on May 12 and is pending in the Senate Committee on Energy and Public Utilities.

**AB 4037 (Hayden)**, as amended on May 25, would prohibit any gas producer from knowingly selling, supplying, or transporting landfill gas to a gas corporation, and would prohibit any gas corporation from knowingly selling landfill gas, which contains any chemical known to the state to cause cancer or reproductive toxicity as determined by

the Department of Health Services. This bill would also prohibit any gas corporation from knowingly and intentionally exposing any person to that gas without first warning the person. AB 4037 passed the Assembly on June 9 and is pending in the Senate Committee on Energy and Public Utilities.

**AB 4217 (Bronzan)** would direct the PUC to investigate existing methods of allocation of revenues and expenses to customer classes in the establishment of electric rates, and to report to the legislature by December 31, 1989. This bill passed the Assembly on May 31 and is pending in the Senate Committee on Energy and Public Utilities.

**AB 4237 (Hauser)**, as amended on May 9, would have provided for appeal of PUC orders to the court of appeal. This bill failed passage in the Assembly Judiciary Committee on May 18.

**SB 2297 (Rosenthal)** would require the PUC, in establishing rates for a public utility operating in a federally designated nonattainment area, to determine which expenses related to air pollution control requirements for using clean-burning fuels in the area are reasonable and necessary, and to approve those expenses in a rate request by a public utility. This bill passed the Senate on June 8 and is pending in the Assembly Natural Resources Committee.

**SB 2402 (Roberti)**. Under existing law, the PUC is required to prepare and submit to the Governor, by December 1 every year, a report of its transactions and proceedings for the previous fiscal year, together with additional facts, suggestions, and recommendations it deems of value. This bill would require PUC to also submit this report to specified members of the legislature. This bill passed the Senate on May 26 and is pending in the Assembly Ways and Means Committee.

**SB 2519 (Rosenthal)** would direct the PUC to conduct a study of the cancer and other medical risks which may be related to exposure to electromagnetic fields produced by electrical utility facilities. This bill passed the Senate on May 26 and is pending in the Assembly Utilities and Commerce Committee.

**SB 2582 (Mello)** would permit PUC access to the property of a charter-party carrier of passengers, and authorize it to inspect and copy the accounts, books, papers, and documents of the carrier. This bill passed the Senate on May 12 and is pending in the Assembly Ways and Means Committee.

The following is a status update on



bills discussed in detail in CRLR Vol. 8, No. 2 (Spring 1988) at pages 122-23:

**AB 971 (Costa)**, which creates the Los Angeles-Fresno-Bay Area/Sacramento High-Speed Rail Corridor Study Group and directs it to study and develop a plan for development of a high-speed rail corridor, was signed by the Governor on June 20 (Chapter 197, Statutes of 1988).

**AB 2279 (Friedman)**, which would have established rules of discovery for rate proceedings involving an electrical, gas, telephone, or water corporation, was vetoed by the Governor on June 13.

**AB 2494 (Friedman)**, regarding required notices of termination of service by public utilities to residents of multiunit residential structures and mobilehome parks, is pending on the Senate floor at this writing.

**AB 2730 (Moore)**, which would direct the PUC, in establishing public utility rates, not to reduce or otherwise change any wage rate, benefit, working condition, or other term or condition of employment that was the subject of collective bargaining, passed the Assembly on May 12 and is pending in the Senate Appropriations Committee at this writing.

**AB 3368 (Wright)**, as amended on April 28, would require any ratemaking authority, as defined, which requires or permits competitive bidding for electrical resources, to ensure that all potential purchasers and sellers of electricity have fair and nondiscriminatory access to transmission services. This bill is pending in the Assembly Utilities and Commerce Committee.

**AB 3553 (Moore)**, the Public Utility Rate Proceeding Simplification Act of 1988; and **AB 3579 (Moore)**, requiring the PUC to order the establishment of accurate telephone ratepayer classifications, died in committee.

**AB 4075 (Katz)**, requiring that changes to delete access to 976 numbers be borne by 976 service providers, remains pending in the Assembly Utilities and Commerce Committee.

**AB 4174 (Moore)**, as amended on April 18, would direct the PUC to conduct an investigation and hearings on the establishment of telephone rates with respect to whether there should be no additional charge to subscribers for tone-dialing service. This bill passed the Assembly on May 31 and is pending in the Senate Committee on Energy and Public Utilities.

**AB 4579 (Moore)**, which would require specified disclosures by owners/operators of coin-operated telephones for public use which provide operator-

assisted services by other than a telephone corporation, passed the Assembly on May 31 and is pending in the Senate Committee on Energy and Public Utilities.

**SB 679 (Rosenthal)**, as amended on April 25, directs the PUC to impose no charge on telephone subscribers for deletion of access to information-access telephone services (IAS); to require telephone corporations to refund to subscribers any amount paid for deletion of access prior to the effective date of this bill; and to determine and implement a method to recompensate telephone corporations for the expenses of providing this deletion of access option. This bill would also direct the PUC to require IAS providers to make available a separate telephone prefix number for messages constituting "harmful matter," as defined. This bill was signed by the Governor (Chapter 201, Statutes of 1988).

**SB 680 (Rosenthal)**, requiring the PUC to complete its ongoing investigation into the regulation of telephone corporations operating within service areas and to report its findings, recommendations, and proposed regulatory changes to the legislature, is pending on the Assembly floor at this writing.

**SB 819 (Rosenthal)**, requiring the PUC to permit individual public utility customers and subscribers, and organizations formed to represent their interests, to testify at rate hearings, was signed by the Governor on May 17 (Chapter 108, Statutes of 1988).

**SB 987 (Dills)**, as amended on May 23, declares that rates for gas service in excess of the baseline quantity are too high, and cause extremely high residential bills during cold weather; and allows the PUC greater flexibility in pricing the baseline quantity of service, while avoiding excessive rate increases for residential customers. The bill also requires the PUC to use increased revenues resulting from any increase in baseline rates exclusively to reduce rates for service above the baseline quantity. This bill was signed by the Governor on June 28 (Chapter 212, Statutes of 1988).

**SB 1762 (Rosenthal)**, as amended on June 6, would require the PUC to require telephone corporations which offer specified maintenance and repair services for inside wiring to their subscribers, to develop a program for the maintenance and repair of inside wiring in rental residential structures, as defined. This bill passed the Senate on May 26, and is pending in the Assembly Utilities and Commerce Committee.

**SB 1800 (Rosenthal)** would have directed the PUC to develop standards

of competitiveness for telephone corporations, but was defeated in the Senate Committee on Energy and Public Utilities on April 12.

**SB 1822 (Rosenthal)**, as amended on May 31, would require every electrical, gas, and telephone corporation to prepare and submit an annual report to the PUC describing all significant transactions, as specified by the PUC, between the corporation and every subsidiary, affiliate, and holding corporation. This bill passed the Senate on April 14 and is pending in the Assembly Ways and Means Committee.

**SB 1844 (Russell)**, which would declare that the PUC has no jurisdiction and control over the billing and collection practices of a telephone corporation for its services to an information provider furnishing any live or recorded video text or audio information or interactive message service, passed the Senate on May 12, and is pending in the Assembly Utilities and Commerce Committee.

**SB 2461 (Kopp)** and **SB 2605 (Montoya)**, both regarding deletion of access to IAS services, were not heard in committee by the July 1 deadline.

**SB 2656 (Rosenthal)**, as amended on May 16, would direct the PUC to adopt and enforce operating requirements governing coin-operated and credit card-activated telephones available for public use, and owned and operated by a corporation or person other than a local telephone corporation. This bill passed the Senate on May 27 and is pending in the Assembly Utilities and Commerce Committee.

**SB 2787 (Nielsen)**, as amended on April 25, would direct the PUC to prepare and submit to the legislature by July 1, 1989, a report on the availability to residential subscribers of the option to delete 976 IAS service sexually explicit messages, including the capabilities for deletion of access which are in place on January 1, 1989, and an analysis of the costs and benefits of extending the deletion of access option to those subscribers in areas where deletion of access is not possible. This bill passed the Assembly Ways and Means Committee on June 29 and is pending on the Assembly floor.

**SB 2822 (Alquist)**, as amended on June 21, would direct the PUC to investigate problems associated with metallic balloons which, if released, may contact and short-circuit electrical power lines, and to report its findings to the legislature by January 31, 1990. This bill passed the Senate on May 26 and is pending in the Assembly Utilities and



# REGULATORY AGENCY ACTION

Commerce Committee.

## RECENT MEETINGS:

On March 9, the PUC granted \$16,897 to the Utility Consumers' Action Network (UCAN) for substantially contributing to two December 1987 PUC decisions involving San Diego Gas & Electric's (SDG&E) electricity rates. The PUC said UCAN was influential in five areas that, in combination with other issues, led the PUC to reduce electricity rates by 5% for residential customers. SDG&E will pay UCAN the \$16,897 award and later recover the expense from customers.

UCAN qualified for the award under the PUC's rules for intervenor compensation, which may be awarded by the PUC if an organization suffers significant financial hardship by participating in the hearing process; the group represents interests not otherwise adequately represented; and if the PUC agrees that the group made a substantial contribution to the final outcome of a decision. (See *supra* FEATURE ARTICLE for further discussion of this issue.)

As part of its stepped-up coordinated safety efforts with the California Highway Patrol (CHP), the PUC, at its March 23 meeting, suspended the operating permits of Jim Degen Trucking of Redding, Youngblood Trucking of Tehachapi, and Calico Fuels, Inc. of Bakersfield. These carriers may not operate until they have corrected the deficiencies found by the CHP and can pass a safety inspection. A carrier may challenge the suspension by filing an application with the PUC asking that the suspension be lifted and requesting a prompt hearing.

At its meeting on April 27, the PUC authorized a rate increase of nearly 8% for SDG&E natural gas customers. The increase is attributable to a major restructuring of gas rates for California's three largest utilities as the PUC moves toward cost-based rates, ending subsidies which have characterized rate structures since the energy crisis of the 1970s.

Also at its April 27 meeting, the PUC ordered every gas, electric, and telephone utility with gross annual revenues exceeding \$25 million to implement a program developed by the PUC to inform, recruit, and obtain at least 20% of the products and services it purchases from women- and minority-owned business enterprises (W/MBE). Each utility must set for itself short-term (one-year), mid-term (three-year), and long-term (five-year) goals for increasing purchases from and contracts with

women and minority businesses. Each utility must report to the PUC each year by March 1 on its W/MBE purchases and/or contracts; W/MBE program expenses; progress in meeting or exceeding goals; and plans for increasing W/MBE procurement in purchases and/or contracts.

## FUTURE MEETINGS:

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

## STATE BAR OF CALIFORNIA

*President: Terry Anderlini*

*(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 110,000 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. At its June 1988 meeting, the Board unanimously elected San Diego business lawyer Colin W. Wied as its President for the 1988-89 year.

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 substan-

tive 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 State Bar applicants and accrediting law schools; (2) enforcing professional standards and enhancing competence; (3) supporting legal services delivery and access; (4) educating the public; (5) improving the administration of justice; and (6) providing member services.

## MAJOR PROJECTS:

*Task Force on Substance Abuse.* At their June 17 meetings in San Francisco, the Board Committees on Discipline and Professional Standards began what promises to be a lengthy discussion of the State Bar's response to a national problem: substance abuse. The basis for these preliminary talks was the 110-page Report of the Staff Task Force on Substance Abuse, prepared by David Long and Heather Anderson of the Bar's Office of Research.

In October 1987, the Board Committee on Professional Standards requested Bar staff to develop a substance abuse diversion program as part of the Bar's discipline system. The Board of Governors later broadened that request to include "ways to allow local bar associations to be more directly involved in substance abuse intervention including proceedings...to assume jurisdiction over the practice of a member who has become incapable of attending to his or her law practice because of substance abuse or other problems" (Report at 1). During the study, the Task Force considered the nature of attorney substance abuse problems, the relationship of those problems to the Bar's disciplinary system, the scope of existing Bar substance abuse programs, and the potential of other programs in addressing the problem. As part of its study, the Task Force reviewed substance abuse programs of other California agencies and those in other states as well.

Approximately 13% of adults suffer from some type of chemical dependency (Report at 4). Attorneys are not immune. They become addicted at about the same rate as the general population, and the rate of alcohol abuse appears to increase with the number of years in practice (Report at 5). For attorneys, substance abuse undermines job performance and contributes to unprofessional conduct. "[E]stimates of the actual percentage of [attorney discipline] cases