



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.

Governor Deukmejian recently appointed E.A. Reodica, of Glendora, Chief Executive Officer for Grand Chevrolet; John Barber, of Bakersfield, President of Barber Pontiac Company; and Liucija Mazeika, a real estate investor from Marina del Rey, to the Board.

#### RECENT MEETINGS:

The Board has not met since September 29, 1987.

#### 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.

#### MAJOR PROJECTS:

**Regulation Changes.** The Board recently published and held a hearing on several proposed changes to its regulations in chapter 16, Title 16 of the California Code of Regulations.

An existing regulation sets the due date for the annual tax and registration fee on January 1 of each year. Effective January 1, 1988, Business and Professions Code section 2456.1 was enacted, establishing the date of registration expiration as the last day of the birth month of the licensee. Accordingly, a proposed amendment to section 1630(b) sets the due date for the annual tax and registration fee to be on the first day following the last day of the birth month of the licensee. Section 1647(b), regarding the due date for renewal of an inactive certificate, was also amended to set the due date on the first day follow-

ing the last day of the birth month of the licensee.

Existing BOE regulations require annual renewal of a physician's assistant supervisor approval. Effective January 1, 1988, Business and Professions Code section 3535 requires biennial renewal instead of annual renewal. Amended section 1681(b) sets forth a biennial renewal requirement and fully clarifies the section by specific reference to the fact that the approval applies solely to the supervisor of a physician's assistant.

Existing rule 1690(c) sets the written examination and reexamination fee at \$100. Business and Professions Code section 2435(c) authorizes the fee to be set at the actual cost of the written examination. The actual cost is now \$125 and the fee has thus been raised to \$125.

Existing rule 1690(k) sets the physician's assistant supervisor application fee at \$10, the approval fee at \$50, and the renewal fee at \$25. Effective January 1, 1988, Business and Professions Code section 3535 was amended to raise the ceiling for these fees, add a delinquent fee, and establish a biennial renewal requirement. Accordingly, the proposed amendments raise the fees, add a delinquent fee, and clarify the classification of the existing fees: the application fee will be \$50; the approval fee will be \$100; the biennial renewal fee will be \$150; and the delinquent fee will be \$25.

Section 1690(l) sets forth the prorated fees for the transition period from the former January 1 annual renewal system to a birthdate annual renewal system for the inactive certificate and the annual tax and registration requirements as established by the newly-enacted Business and Professions Code section 2456.1. The proposed regulation establishes a prorated fee, payable in 1988, based on a formula which divides the unchanged \$200 annual fee by twelve to give a monthly amount dependent on birth month. The purpose of this approach is to allow a smooth transition from one system to another.

After a March 19 public hearing on these proposed changes, the Board unanimously adopted them, and will submit them to the Office of Administrative Law for approval.

#### LEGISLATION:

**SB 1334 (McCorquodale)** would have established provisions of state law governing the California Area Health Education Center System, which currently operates pursuant to a federal grant program. The system would be governed by the Regents of the University of Cali-

fornia with input from community groups and an advisory board composed of the deans of the California medical schools, the Vice-President of health affairs of the University of California, and eight public members. This bill died in the Senate Appropriations Committee.

**AB 1924 (Bader)** would establish the State Osteopathic Medicine Contract Program, under which the Health Manpower Policy Commission would contract annually with the College of Osteopathic Medicine of the Pacific for the purpose of providing specified post-graduate training of osteopathic interns and residents. The college would be required to annually enter into a binding agreement with a health facility under which the college would expend three times the amount of state funds for the training. The Commission would be authorized to adopt regulations to implement the program, and would be required to review and evaluate it, and submit annual progress reports to the legislature.

The original version of the bill would have appropriated \$225,000 to the Commission for these purposes, with \$75,000 of the sum coming from the contingent fund of BOE and \$150,000 from the General Fund. As amended on January 27, the bill would appropriate \$75,000 to the Commission.

The purpose of the bill is to increase the number of osteopathic interns and residents receiving quality education in the areas of geriatrics, health promotion, disease prevention, wellness, and nutrition, and to maximize the delivery of primary care osteopathic family physicians' services to specific areas of California where there is an unmet need for these services. At this writing, the bill is pending in the Senate Committee on Health and Human Services.

**AB 4197 (Isenberg)** would authorize the Board to establish diversion evaluation committees to evaluate licensees who request participation in a diversion program for drug or alcohol abuse. It would establish the power and duties of the committees, the standards of the program, and the terms of participation in the program. This bill is pending in the Assembly Health Committee.

**AB 4622 (Bader)** would authorize a program of reciprocity between the BOE and other state boards. The bill would require the Board to issue an osteopathic physician's and surgeon's certificate to any person who (1) holds a license to practice osteopathic medicine in another state whose examination is approved and recognized by the Board, (2) has no



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disciplinary action taken against him/her, and (3) takes and passes a clinical examination. This bill is also pending in the Assembly Health Committee.

*SB 2536 (Craven)* would add the charging of an unconscionable fee to the grounds for disciplinary action allowed by existing law. This bill is pending in the Senate Business and Professions Committee.

*SB 2267 (Greene)* would provide 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 students enrolled in an approved osteopathic or medical school. *SB 2267* was set for an April 11 hearing in the Senate Business and Professions Committee.

*SB 2491 (Montoya)*. Existing law prohibits health facilities, health care service plans, nonprofit hospital service plans, disability insurance policies, self-insured employer welfare benefit plans, and various public entities from discriminating with respect to employment, staff privileges, or the provision of professional services against a licensed physician or surgeon on the basis of whether the physician or surgeon holds a DO or MD degree. This bill would further clarify the extent to which a health facility is prohibited from discriminating against a physician or surgeon who holds a DO degree. This bill was set for a May 2 hearing in the Senate Business and Professions Committee.

## FUTURE MEETINGS:

To be announced.

## PUBLIC UTILITIES COMMISSION

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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 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:

*En Banc Informational Hearings on Trucking Regulation.* On March 10, 11, and 18, the PUC held informational hearings on trucking regulation. (See CRLR Vol. 8, No. 1 (Winter 1988) p. 106 for background information.) The hearings are a result of increasing public, legislative, and industry interest in and concern about the current regulatory approach of the PUC. Topics which have received a great deal of public attention include a possible relationship between rate regulation and safety; the effects of rate regulation on the trucking prices paid by shippers and ultimately by consumers; the effects of regulation on the competitiveness of California as a location for industry; and implementation of the Commission's recently-adopted general freight program.

Modern Commission regulatory programs have evolved from regulatory programs initiated in the 1930s. Tradition-

ally, the PUC applied minimum rate tariff regulation to all regulated carriers. Over the past ten years, it has modified its regulatory approach in many trucking sectors either by deregulating them or requiring carriers to file their own cost-based tariffs with the Commission. The initial impetus for these regulatory changes was a report issued by the Little Hoover Commission in 1976 which recommended deregulation, and subsequent PUC investigations which found that a variety of regulatory changes were appropriate.

More recently, a number of studies have been undertaken reviewing the Commission's regulatory policies and trucking regulation in general. Numerous academic studies have observed economic benefits from interstate trucking deregulation. Others have arrived at opposite conclusions. Last year, the Office of the Legislative Analyst recommended that the Commission reconsider its regulatory programs and deregulate the rates of for-hire carriers. In July and November 1987, the Commission's Transportation Division submitted reports to the legislature on the relationship between safety and economic regulation in response to AB 2678 (1986). The Commission is also currently reevaluating the effects of its new general freight regulatory program and the role of sub-haulers in the industry. Finally, various legislative initiatives have proposed both more and less regulation of the industry.

Currently, the Commission applies three general approaches to regulation of the trucking industry under its jurisdiction:

-Minimum Rate Regulation (MRT). Under MRT, carriers may not charge rates any lower than those set by the PUC unless a carrier receives Commission approval for deviations from those rates. MRT applies to dump trucks, livestock carriers, and household goods carriers. Regulation of cement carriers is similar to MRT regulation.

-Individually Filed Tariffs (IFT). General freight carriers file their own tariffs and contracts with the Commission based on their costs of service. They may change those "base" rates whenever they wish so long as they can justify the cost of the changes and show that they contribute to profitability. Once per quarter, carriers may increase or decrease their rates without cost justification, but the changes must remain within 5% of filed base rates.

-Deregulation of Rates and Entry. Over the past ten years, the Commission