



Each regulatory agency of California government hears from those trades or industries it respectively affects. Usually organized through various trade associations, professional lobbyists regularly formulate positions, draft legislation and proposed rules, and provide information as part of an ongoing agency relationship. These groups usually focus on the particular agency overseeing a major aspect of their business. The current activities of these groups are reviewed as a part of the summary discussion of each agency, *infra*.

There are, in addition, a number of organizations which do not represent a profit-stake interest in regulatory policies. These organizations advocate more diffuse interests—the taxpayer, small business owner, consumer, environment, future. The growth of regulatory government has led some of these latter groups to become advocates before the regulatory agencies of California, often before more than one agency and usually on a sporadic basis.

Public interest organizations vary in ideology from the Pacific Legal Foundation to Campaign California. What follows are brief descriptions of the current projects of these separate and diverse groups. The staff of the Center for Public Interest Law has surveyed approximately 200 such groups in California, directly contacting most of them. The following brief descriptions are only intended to summarize their activities and plans with respect to the various regulatory agencies in California.

ACCESS TO JUSTICE FOUNDATION

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Access to Justice Foundation (AJF) is a nonprofit, nonpartisan citizen advocacy organization established to inform the public about the operation of the legal system; provide independent, objective research on the protection accorded citizens by laws; and guarantee citizens of California access to a fair and efficient system of justice.

AJF publishes a bimonthly report, *Citizens Alliance*, on citizens' rights issues and actions at the local, state, and federal levels. Legislative, judicial, and administrative activities which impact on the public justice system and the exercise of citizens' rights are a major

focus of the organization's research and educational activities. AJF is funded by grants and individual memberships.

MAJOR PROJECTS:

On November 19, AJF launched its ballot initiative campaign to cut insurance costs and reform the industry. Under AJF's "Insurance Rate Reduction and Reform Act," auto and business liability insurance rates would be rolled back and cut by 15% the day after the November 1988 election. Any additional increases must be approved by an elected state Insurance Commissioner. Auto rates would be based on an insured's driving record, rather than the arbitrary zip code method currently used by insurers. A 20% discount for good drivers would be required.

AJF claims Californians will save hundreds of dollars per year under the proposed initiative, and that it will mean lower insurance costs and a stronger state economy. The initiative would strike down the insurance industry's exemption from antitrust laws, which prevent other industries from sharing price-setting information and from making business decisions collectively. The initiative would create an intervenor funding mechanism to encourage individuals and nonprofit organizations to participate in insurance rate-setting proceedings. Administrative costs would be paid through a schedule of surcharges paid by insurers which conduct business in the state.

In mid-December, AJF attacked a ballot initiative unveiled by the insurance industry, contending that any proposal which does not reform the current system of high rates, anticompetitive practices, and inadequate state regulation does nothing to protect consumers. AJF charged that the industry's proposal was written to undercut true reform efforts currently being attempted by consumer groups, because if the industry's initiative is passed with more votes, it would cancel any other reform measure. Citing the fact that several insurance-related initiatives have been filed, AJF recently published an "initiative scorecard" which it hopes will help the public keep track of the players.

The Insurance Rate Reduction and Reform Act campaign has opened offices in Los Angeles, San Diego, and San Francisco, with over twenty full-time staff and volunteers on its team. The campaign will gather signatures through direct mail, door-to-door canvassing, and volunteers. A veteran campaign con-

sultant has been hired to direct the signature drive.

AMERICAN LUNG ASSOCIATION OF CALIFORNIA

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The American Lung Association of California (ALAC) emphasizes the prevention and control of lung disease and the associated effects of air pollution. Any respiratory care legislative bill is of major concern. Similarly, the Association is concerned with the actions of the Air Resources Board and therefore monitors and testifies before that Board. The Association has extended the scope of its concerns to encompass a wider range of issues pertaining to public health and environmental toxics generally.

MAJOR PROJECTS:

On December 16, the Coalition for a Healthy California began gathering signatures for a 25-cents-per-pack cigarette tax increase initiative. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 13 for background information.) ALAC is a leading group in the coalition backing the measure, which will appear on the November 1988 ballot if 595,485 valid signatures of California voters are obtained within 150 days. The Coalition held eight news conferences around the state to kick off its campaign and announced that it hopes to raise about \$2 million. The 35 statewide health and environmental groups sponsoring the initiative include the American Cancer Society, American Heart Association, California Medical Association, and Campaign California.

If approved by voters, the initiative would raise about \$650 million per year, which would be used for tobacco-related health education, anti-smoking campaigns, and research programs. Spokespeople for the campaign called it their "Tobacco Rebellion," and said they expect the tobacco industry to spend up to \$16 million to defeat the initiative. ALAC representatives predicted that about 100,000 young people in California would be discouraged from smoking as a result of the proposed user tax increase, because smoking levels are tied to price increases.

ALAC and other environmental groups have endorsed Los Angeles City Councilor Marvin Braude for appointment to the reorganized board of the



South Coast Air Quality Management District (SCAQMD). Councilor Braude has served on the air quality board since it was formed ten years ago. Under the reorganization plan required by state legislation (SB 151 Presley) signed into law last fall, the size of the board will be reduced from fourteen to eleven members.

Under the legislation, new powers are granted to the board to bring the country's smoggiest air basin into compliance with national clean air standards. Critics of SCAQMD advocated the reorganization bill after negative reviews of the board's performance by the Environmental Protection Agency and the state Air Resources Board. The reorganization law grants the Governor, the Senate Rules Committee, and the Assembly Speaker one appointment each. The boards of supervisors in the four counties covered by the air quality district each have an appointment. Another four board members will be selected to represent cities in each of the four counties. The new SCAQMD board took office on January 8.

ALAC is monitoring state and federal legislation which will establish new or improved air quality standards. The clean air group is awaiting introduction of a bill by state Senator Dan McCorquodale, which will require the state Air Resources Board to set an ambient air quality standard for atmospheric acidity by March 1990. New concern has recently arisen regarding increased health threats from interactions between various components of photochemical smog, such as ozone and oxides of nitrogen. Testimony by medical researchers before the Senate Natural Resources and Wildlife Committee revealed that interactions between ozone and acid fog/rain can increase adverse health impacts by as much as six times, based on laboratory animal studies.

ALAC is also watching federal legislation which would require major revisions in the federal Clean Air Act. Both houses of Congress are now considering an extension of the December 31 deadline for reduction in ozone and carbon monoxide levels in at least 70 urban areas which cannot comply with the deadline. Congress is also considering legislation requiring government agencies to purchase vehicles capable of burning alternative air pollution-reducing fuels such as ethanol and methanol beginning in 1990. Proponents of the legislation believe it will stimulate wider commercial production of clean fuel-burning vehicles. Alternative fuels have been advocated as a way to sub-

stantially decrease air pollution in the Los Angeles air basin.

NATIONAL AUDUBON SOCIETY

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The National Audubon Society (NAS) has two priorities: the conservation of wildlife, including endangered species, and the conservation and wise use of water. The society works to establish and protect wildlife refuges, wilderness areas, and wild and scenic rivers. To achieve these goals, the society supports measures for the abatement and prevention of all forms of environmental pollution.

MAJOR PROJECTS:

The November *Audubon* magazine focuses attention on a critical decline in wetlands habitat and, consequently, waterfowl populations in California. NAS says that at one time there were five million acres of wetlands in the state, 92% of which are now gone. In the Central Valley, 96% of the wetlands habitat has been converted to agricultural and other uses. The critical supply of water to the wetlands has been diverted to crop production or urban populations. Only 80,000 acres of waterfowl habitat in California are protected by state and federal agencies, according to NAS. Three hundred thousand acres of wetlands are privately owned, and used mostly for rice production and leased to duck hunting clubs in the fallow season. California winters 60% of the geese and ducks using the "Pacific Flyway" migratory bird route, which represents one-fifth of the entire continent's water-fowl. *Audubon* reports that California's wintering duck population has plummeted from seven million in 1980 to two million in 1985.

Audubon notes that the loss of wetlands has seriously impacted the health of the Sacramento-San Joaquin Delta and San Francisco Bay, resulting in declines in salmon, perch, shad, striped bass, and sturgeon fisheries, and related economies. These species are dependent on wetlands for feeding and spawning activities. Most of the Delta area fish canneries are now gone, and striped bass populations in San Francisco Bay are 10% what they were in 1970.

No natural wetlands remain in the San Joaquin Valley, and all existing ponds and marshes must be fed by irri-

gation. This has meant a loss in diversity of plant life necessary for the health of waterfowl. Surviving wetlands in state and federal wildlife refuges are provided water by the federal Bureau of Reclamation on an "if-and-when-available" basis only. The refuges have no legal rights to the water and the Bureau will not bind itself to contracts for delivery. NAS claims that the Bureau of Reclamation does not recognize wildlife as a beneficial use of its water, and could at any time begin awarding to farmers water which it has provided to the refuges in the past.

Further endangering birds and wetlands is the build-up of toxic materials—such as selenium, arsenic, boron, pesticides, and chemical fertilizer runoff—in available water. The much-publicized selenium accumulation in agricultural drainwater dumped at Kesterson Wildlife Refuge caused extraordinary destruction and deformation of birds beginning in 1983. The State of California subsequently declared Kesterson a toxic pit.

Even though many waterfowl species winter in coastal marshlands exclusively, many north-coast bays and estuaries are silted in by logging operations and construction upstream. Orange and Los Angeles Counties have filled in 90% of their marshes for housing, industrial parks, and airports. San Diego County once enjoyed 32,000 acres of wetlands and now has only 3,000 acres. Seventy five percent of San Francisco Bay's original wetlands have been claimed for human purposes.

NAS believes that a citizens' initiative on the June 1988 ballot known as the Wildlife, Coastal and Parkland Conservation Bond Act will help acquire some of the critically needed wetlands. The measure would authorize nearly \$800 million in bonds for the acquisition of, *inter alia*, wetlands and other wildlife habitat throughout the state.

Audubon is one of many environmental groups advocating federal legislation known as the Timber Reform Act of 1987, introduced by Representative Robert Mrazek (D-New York). The bill would repeal previous legislative provisions which give special treatment to U.S. Forest Service budget allocations for the Tongass National Forest in the Alaskan panhandle. Under the bill, the annual budget of the Tongass would be subject to annual review like all other national forests. Environmentalists insist that the Forest Service has used millions in annual federal taxes to subsidize two major Alaskan lumber companies in the unprecedented destruction of the na-



tion's rarest and largest old-growth, temperate zone rain forest.

To promote lumbering, the Forest Service has been building roads in the most remote parts of the Tongass at a cost of \$150,000 per mile at a rate of fifty or more miles yearly. The Tongass old-growth rain forest is home to the nation's largest populations of bald eagles, grizzly bears, and salmon runs. Diverse old-growth forests such as Tongass are complete ecosystems containing thousands of organisms which have evolved together over millions of years. The natural process, according to NAS and biologists, has assembled optimum populations of plants and animals into vigorous, complex wild communities.

In order to support the economy of Alaska and increase settlement of the state, the U.S. Forest Service in 1936 convinced Louisiana Pacific Corporation and the Japanese-owned Alaska Pulp Corporation to build large lumber mills in the Tongass. According to *Audubon* magazine, the companies were guaranteed timber for fifty years at federally subsidized, sacrificial prices. In 1980, Alaska Senator Ted Stevens added amendments to the Alaska National Interest Lands Conservation Act, including section 705(a) which annually (and indefinitely) gave the Forest Service \$40 million to help the Alaska timber industry harvest Tongass lumber at staggering losses. Senator Stevens insisted that the amendments allow Tongass administrators to be excused from the annual budget review process.

Audubon claims that federal documents show that for every dollar invested in selling Tongass timber in 1983, the return was only nine cents. In 1984, the total loss was at least \$261 million. For the five years beginning in 1982, when the federal subsidies totaling \$234 million began rolling into Alaska, NAS says there was a shortfall of at least \$203 million. Audubon hopes this scandalous federal subsidy and the devastation of the Tongass will finally end with the passage of the Timber Reform Act of 1987.

BERKELEY LAW FOUNDATION

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The Berkeley Law Foundation (BLF) is an income-sharing organization of Boalt law students and faculty which

provides funding to public interest law projects. BLF is an "attempt to institutionalize financial, moral and directional support for public interest work within the legal profession, thereby avoiding dependence on outside foundations or governmental largesse."

BLF is a nonprofit corporation governed by a seventeen-member Board of Directors elected directly by the membership. The Board includes attorneys in both public and private practice, community representatives and law school faculty members, as well as members of the Foundation.

Foundation grants are designed to provide subsistence support and start-up funding for recently-trained attorneys committed to public interest work. BLF also provides a summer grants program to help law students undertake summer projects under the auspices of a sponsoring public interest organization.

MAJOR PROJECTS:

Twenty-five public interest project grant applications were submitted to BLF for consideration in 1987. From a field of six finalists, the BLF Board selected the following projects for funding:

Immigration Amnesty. This proposal focuses on the legal needs of immigrants seeking amnesty under the 1986 Immigration Reform and Control Act. The amnesty application process is complex and requires documentation which is often difficult for an immigrant to produce. The grant applicant designed a program to aid San Mateo County amnesty applicants by informing them about the provisions and requirements of the Act, and assisting them in completing their applications. The grantee will recruit and train attorneys and community volunteers to help screen applicants and prosecute appeals for those denied legalization. Educational outreach on the amnesty process and the new law's regulations will be extended to employers and county agencies. Constitutional issues are being identified for potential impact litigation. BLF awarded the project \$20,000. The San Mateo County Legal Aid Society provided more than \$24,000 in in-kind contributions to the project.

GAIN/AFDC Advocacy. The state has created a required job training and counseling program (known as Greater Avenues to Independence—GAIN) for all women with children over six years of age who receive Aid to Families with Dependent Children (AFDC). Continued AFDC payments—designed to ensure

that children of single-parent households receive the basic necessities of life—are contingent upon the parent's compliance with the GAIN program. A \$20,000 BLF grant was awarded to enable the grantee to conduct workshops for AFDC parents to explain their legal rights and responsibilities under the GAIN program.

The GAIN/AFDC project will produce multi-lingual written materials about the government program, and educate the public about GAIN through a speaking program and media outreach. Volunteer attorneys, paralegals, and law students will be recruited to provide legal advice and representation to GAIN participants. Impact litigation will be initiated if necessary. The project will recommend improvements regarding GAIN program implementation problems at local and state hearings, and offer suggestions for legislative and regulatory solutions.

Elderly Preventive Legal Services. BLF awarded a \$10,000 grant to the Community Advocacy Center (CAC) of New York City. The funding will allow CAC to continue and expand its program to assist the unprecedented number of evicted senior citizens living in the borough of Queens, which has recently risen by more than 60%. CAC uses personal counseling and legal awareness clinics at senior centers to educate the low-income elderly regarding their legal rights.

The CAC project plans to develop and lobby state legislation to address the problem of rising rents. It will provide seniors with information about their rights to benefits and services. With help from the BLF grant, CAC believes it can prove the viability of its program to state agencies and thereby qualify for future state funding.

The "In Defense of Sacred Lands" project funded by BLF in 1986 continues to challenge the forced relocation of Navajo Indians in Arizona. The grantee believes that a statute passed by Congress in 1974 was intended to displace thousands of Navajos in order to develop their land for its energy and mineral resources (coal, uranium, oil, gas, and copper). The project has counseled and represented individuals and families allegedly defrauded and mistreated in the course of relocation. Many Navajos have chosen to resist relocation, and have faced arrest and impoundment of their livestock.

Working with the Big Mountain Legal Defense/Offense Committees in Flagstaff, Arizona, the grantee has also



filed lawsuits challenging relocation on broad legal grounds. The major effort is a First Amendment lawsuit which argues that because the Navajo religion is closely tied to the traditional lands, relocation of the Navajos interferes with the free exercise of their religion. Navajo community activists are working with attorneys to document the effects of relocation on Navajo religious practices which involve ceremonies and prayer offerings at sacred sites on the lands the families are being forced to leave.

CALIFORNIA CONSUMER AFFAIRS ASSOCIATION

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California Consumer Affairs Association (CCAA) is a statewide affiliation of local consumer protection agencies. The Association was founded in 1974 to establish and facilitate an avenue of communication among agencies concerned with the protection of consumers. CCAA actively represents the interests of California consumers in legislative and regulatory arenas. It serves its members and the public by providing workshops, training sessions, and forums, and by preparing and publishing educational materials and legislative summaries. Member groups provide their constituencies with counseling, information, and informal mediation services when marketplace transactions result in disputes. Some member agencies act as small claims court advisors.

Membership in CCAA is open to federal, state, and local agencies which are primarily funded by the government, with a mandate of consumer protection and/or assistance. Nonprofit organizations devoted to consumerism may also be eligible for membership. In addition, CCAA membership includes representatives of federal, state, and local law enforcement entities. Association structure is divided into northern and southern California divisions. CCAA convenes annually to involve members in setting goals and policies and to elect new officers. An executive committee composed of a vice president from each division and other CCAA officers ensures coordination.

MAJOR PROJECTS:

At an Alternative Dispute Resolu-

tion Advisory Council hearing in San Francisco on November 13, CCAA President Jody Anne Becker testified that most lawyers and mediators agree that the least intrusive methods of dispute resolution are best, and that the mediation process should continue to be voluntary. Other CCAA member agencies giving presentations at the meeting included the Los Angeles County Department of Consumer Affairs and Santa Clara County Department of Consumer Affairs.

The new Alternative Dispute Resolution Advisory Council (ADR) was created by 1986 legislation (SB 2064, Garamendi). The Council is composed of seven members, five of whom are appointed by the Governor, and one each by the President pro Tempore of the Senate and the Assembly Speaker. ADR promulgates rules and guidelines for dispute resolution and mediation agencies which receive funding from county boards of supervisors as stipulated by the Garamendi legislation. The bill authorized counties to generate funding for alternative dispute resolution programs by raising municipal and superior court filing fees from \$1 to \$3. Counties may grant funds to one or more existing or newly-created public or private nonprofit dispute resolution agencies.

The recent ADR hearings held in northern and southern California for review of temporary dispute resolution agency guidelines were required by urgency legislation (SB 123, Garamendi). The urgency bill requires that temporary guidelines be adopted by ADR by January 29, 1988, so that counties can begin to fund dispute resolution programs.

CALIFORNIA PUBLIC INTEREST RESEARCH GROUP

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CalPIRG is a nonprofit statewide organization founded and primarily staffed by students from several California universities. It is the largest student-funded organization of its kind in the state. There are CalPIRG chapters on four campuses of the University of California and at the private University of Santa Clara.

MAJOR PROJECTS:

In its fall newsletter *Calcitizen*, CalPIRG published a survey on auto

insurance rates which revealed—from responses received from half of the twenty companies surveyed—rate quote variances of 25% or more. *Calcitizen* says this variance translates into differences in policy quotes from \$240 to over \$1,400. Many of CalPIRG's requests for information from insurance companies were either refused or ignored. Only seven of the twenty companies surveyed actually provided price data. Most companies surveyed provided rate information which varied depending on the agent who gave the quote. Different agents quoted consistent prices at only two of the companies surveyed.

CalPIRG believes a major drawback of California's auto insurance industry is the "open rating system," which relies on the free market rather than state regulation to keep insurance premiums fair. According to CalPIRG, the current system makes it essential that consumers have understandable and accurate comparative price information in order to stimulate competition between insurers.

CalPIRG suggested a solution to the state Department of Insurance which could be implemented through regulation or legislation. Under the proposal, insurance companies—rather than consumers—would be forced to bear the burden of inaccurate quotes by their agents. The CalPIRG survey found that the Automobile Club of Southern California (AAA) already employs such a "live by the quote" system. The study also showed that AAA has a relatively low incidence of misquoting. CalPIRG's study, entitled "Pick a Price, Any Price," is available through CalPIRG's Los Angeles office for a charge of \$3 for members and \$5 for nonmembers.

CalPIRG claims that lobbying by its national network of affiliated PIRG groups helped keep strong provisions in the House of Representatives' version of H.R. 27, the "National Checkhold Bill," which was passed and signed August 10, 1987. The bill, which takes effect in September 1988, sets limits on "bank float" periods for state and federally-chartered banks. In California, CalPIRG claims, some customers have been forced to wait up to three weeks before receiving credit on their deposited checks. Reportedly, some legislators have called the practice of holding checks for lengthy periods one of the "worst consumer scams in America." A national PIRG report entitled "Still Held Up at the Bank" found that checkclearing delays earn banks at least \$100 million in interest annually.

Under the new law, banks will be



required to provide consumers access to their funds withing two intervening days for in-state checks and within six days for all other checks. The law also grants the Federal Reserve Board the power to reduce checkhold periods in regions where even faster access is possible. After being in effect two years, checkhold periods will be further reduced to one intervening day for in-state checks, and four days for other checks. The National Checkhold Bill also requires banks to provide written notice of their checkhold policies to all new and existing customers. At this writing, the Federal Reserve Board has issued proposed regulations to implement the act, and the public comment period was to end in February.

CalPIRG is working with its national PIRG office in support of S. 2 (Byrd, Boren), the Senatorial Election Campaign Act, which would restrict the total amount of political action committee (PAC) money any Senate candidate could accept; place limits on total campaign spending; and establish a system of public financing. Representative Tony Coelho (D-California) is sponsoring a similar bill in the House. PIRG is concerned about the alarming 584% increase in spending for Congressional office during the period 1974-86. According to PIRG, candidates are increasingly turning to PACs for easier access to abundant cash for campaigns. In turn, PACs are using their resulting financial clout to buy access to Congress and influence votes. PIRG says a recent study by the National Campaign Against Toxic Hazards documented that only 8% of Congressmembers who received more than \$30,000 from chemical industry PACs voted in favor of a strong federal Superfund for cleaning up toxic dumpsites in 1986. CalPIRG also continues to support major campaign finance reform measures in California.

PIRG has endorsed a package of strengthening amendments to the federal Clean Air Act (S. 1894, Mitchell). The amendments include provisions requiring use of state-of-the-art technologies to control harmful air emissions; an urban air quality package; provisions addressing significant ground sources of ozone and mandating improved tailpipe emissions standards, increased inspection and maintenance programs, strict traffic control measures, and the use of alternative fuels for fleet vehicles; an upper ozone protection measure to dramatically reduce the production and importation of chlorofluorocarbons; and an acid rain program to reduce acid-

rain-causing emissions in all fifty states. At this writing, S. 1894 is waiting assignment for action on the Senate floor.

CalPIRG and its national PIRG office are waging a major campaign to add teeth to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). CalPIRG believes that FIFRA is the weakest of the federal environmental laws. The current effort would prevent attempts by the chemical industry to preempt states' rights to allow weaker federal pesticide regulations to supercede all state authority. The campaign includes efforts to establish stringent standards on allowable pesticide levels in food and water supplies; full testing of all pesticides for health effects before marketing; increased health and safety protections for farm workers; and a ban on the export of pesticides which are banned in the United States.

According to *Calcitizen*, research has found that pesticides have contaminated over 3,000 water wells in the state and the groundwater in 28 counties. It claims that although 2.6 billion pounds of pesticides are used each year throughout the nation, less than 1% of the chemicals actually end up where intended and the remainder shows up in the air, water supplies, and non-targeted land.

CALIFORNIANS AGAINST WASTE

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In 1977, Californians Against Waste (CAW) was formed to advocate for a recycling bill in the legislature which would require a minimum refundable deposit of five cents on beer and soft drink containers. After being repeatedly thwarted legislatively by well-financed industry opponents, CAW sponsored and organized a coalition for a statewide citizen initiative which appeared on the ballot in 1982 as Proposition 11. That measure failed after can and bottle manufacturers and their allies raised and spent \$6 million to defeat it. CAW worked for passage in 1986 of AB 2020 (Margolin), the "bottle bill" which in its final compromise form establishes a redemption value of one cent per container with the amount increasing to three cents if specified recycling goals are not achieved. The bill, which has been signed by the Governor, requires recycling centers to be located within one-half mile of supermarkets with over \$2 million in annual sales.

MAJOR PROJECTS:

According to CAW, pollution of all types is caused by a central failure of our economy: waste. CAW believes that future generations will face a horribly polluted environment with extremely limited natural resources and energy. Garbage is the most visible symptom of this failure of our system, and CAW insists that waste reduction and recycling are among the most important solutions to the problem. CAW's 1988 legislative agenda includes a comprehensive package of bills to make recycling and waste reduction the state's top-priority answers to the solid waste crisis.

CAW envisions a state law that would:

- Reduce energy consumption in California by at least 30,000 barrels of oil per day;

- Prevent complete logging (clearcutting) of 16,500 acres of forest annually;

- Save over 1.5 million tons of aluminum, steel, and other metals each year;

- Save billions of gallons of fresh water, and reduce water pollution substantially; and

- Create thousands of jobs, while saving taxpayers millions of dollars.

The proposed legislation is known as the Recycling Opportunities Act, and was scheduled for a January presentation to the legislature. The law already exists in Oregon, New Jersey, and several local communities, according to CAW's Fall 1987 newsletter. CAW believes this proposal is the next logical step following passage of the AB 2020 "bottle bill."

Under the new act, communities around the state would be required to reduce waste by 35% by 1990, and 50% by 2000. Local governments would have flexibility in choosing the most cost-effective means of reaching the goal. CAW says alternatives could include convenient curbside recycling programs, energy conservation efforts, or increased use of recycled paper and other products in packaging. More recycled paper could be used by businesses, schools, and government agencies. CAW believes a huge new recycling economy could be created and paid for by the value stored in what we now throw away.

CAW has sponsored three important bills which are currently pending as two-year measures:

- AB 612 (Sher), which would include wine cooler containers in the bottle bill recycling program, is currently stalled in the Assembly Ways and Means Committee.



-SB 188 (Alquist), which would provide tax credits for companies which use recycled rather than virgin materials, is pending in the Senate Appropriations Committee.

-SB 52 (Torres), which would require recycling before solid wastes may be burned in incineration plants, passed the Senate and is pending in the Assembly Natural Resources Committee.

CAW will also seek a state law in 1988 to ban styrofoam packaging materials. An extensive background report on the environmental consequences of plastics and styrofoam, which will serve as the basis for draft legislation, has been prepared by CAW. Copies of the report are available through CAW. CAW reports that McDonald's restaurant chain announced last summer that it will abandon use of styrofoam containers, shortly after Carl's Jr., another major fast food chain, took that action.

At press time, CAW is preparing for state regulatory hearings on a vital section of AB 2020. CAW contends that container companies are attempting to gut the "regulatory fee" provision of the bill. Under the provision, the state is permitted to assess a fee on every container covered by AB 2020, which reflects the difference between the actual market value of the materials in a container versus the handling and processing costs associated with it. This means that containers such as glass bottles and plastic soda containers could have an additional fee assessed and may soon be worth as much as three to five cents each, rather than the current refund of only one cent. CAW claims the industry is opposed to the provision, and seeks lobbying and financial support from its members to counter the industry's attempts to have the regulatory fee provision eliminated.

CAMPAIGN CALIFORNIA

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In July 1986, the Campaign for Economic Democracy (founded in 1977) became Campaign California. The 25,000-member organization, with offices in Sacramento, San Jose, and San Francisco and headquarters in Santa Monica, continues as the largest progressive citizens action group in the state. Each office of the organization operates a door-to-door and telephone canvass, providing direct contact with voters re-

garding issues; facilitating fundraising and signature collection drives; and resulting in registration of new voters.

Campaign California supports efforts to frame workable, progressive solutions to problems in the areas of child care, education, environment, transportation, personal safety, insurance, and health care. It targets the private entrepreneur as a source of economic growth, jobs, and innovation.

MAJOR PROJECTS:

Campaign California is one of 35 statewide organizations supporting a cigarette tax increase initiative for inclusion on the November 1988 ballot. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 16 for background information.) The campaign, known as the Coalition for a Healthy California, must collect 595,485 valid voter signatures within five months. The initiative would raise the tax on a pack of cigarettes by 25 cents, as well as the user tax on other tobacco products such as chewing tobacco and snuff. Twenty percent of the tax funds raised by the measure would be allocated to school and community health education programs to discourage smoking among young people; 35% would pay for hospital care for low-income patients with smoking-related diseases; 10% is earmarked for physicians who treat indigent patients; 5% would go for research into tobacco-related diseases; 5% would be used for environmental programs; and 25% would be distributed among the programs at the discretion of the legislature. The initiative is aimed at reducing the nearly 40,000 annual California deaths related to tobacco use. The Coalition says about 2.6 billion packs of cigarettes are sold in the state each year.

In early December, Campaign California and other proponents (Environmental Defense Fund, Sierra Club, and Natural Resources Defense Council) of the Safe Drinking Water and Toxic Enforcement Act of 1986 initiative (Proposition 65) reached an agreement with business groups on several key proposed regulations under the law. If the state Health and Welfare Department adopts the compromise recommendations, businesses would be protected from frivolous lawsuits resulting from normal use of air and tap water. The Act takes effect on February 27, 1988, when warnings must be provided to the public by businesses which release chemicals identified by the state as cancer-causing.

Environmentalists point out that several regulatory issues remain to be ne-

gotiated, including the amount of a carcinogenic chemical considered to be a "significant risk," the exact language and extent of the public warnings, and how the warning information will reach consumers. Representatives of the food, paint, electronics, aircraft, medical, and several other industries are lobbying the state for exemptions and changes in the initiative's requirements. Campaign California and other Proposition 65 backers are calling for tougher rules, including one that would require alcohol manufacturers to post warning labels on all containers stating that alcohol use during pregnancy may cause birth defects.

In mid-December, Proposition 65 supporters were angered by a state scientific advisory panel's recommendations that food, drug, and cosmetic products governed by state and federal regulations should be exempted from the toxic-warning requirements of the initiative. Initiative sponsors called the panel's action illegal and threatened more lawsuits if the Governor accepts the recommendations. The panel, appointed by the Governor, believes the exemptions are in order until it can define the amount of the problem chemicals which constitutes a significant risk. Initiative supporters fear the recommendation could indefinitely delay determination of various chemicals' "significant risk" factors.

The panel also added 39 more chemicals to the list of potentially dangerous substances regulated by Proposition 65; the list now totals 177. Initiative backers believe the list should include at least 225 potentially hazardous chemicals.

CENTER FOR LAW IN THE PUBLIC INTEREST

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The Center for Law in the Public Interest (CLIP), a public interest law firm founded in 1971, employs nine attorneys in its California office. The Center's major focus is litigation in the areas of environmental protection, civil rights and liberties, corporate reform, arms control, communications and land use planning.

MAJOR PROJECTS:

CLIP's False Claims Project continues (see CRLR Vol. 7, No. 4 (Fall 1987) p. 16 and Vol. 7, No. 3 (Summer 1987) p. 37 for background information). In



October, a television crew from CBS' "60 Minutes" visited CLIPI's offices to profile an ophthalmologist's False Claims Act lawsuit against Scripps Clinic and Research Foundation in La Jolla. Scripps ophthalmologist and CLIPI client Dr. Paul E. Michelson became outraged when he realized a fellow physician was apparently performing unnecessary or improper surgery on elderly patients and then charging Medicare for the procedures.

In another CLIPI case, Rockwell International tool and die worker J. David Navarette worked on federal Defense and Energy Department contracts and supervised a high-security shop which was supposed to build scale models of top-secret military weapons. Instead, the shop used much of its resources manufacturing commemorative plaques, paperweights, jewelry, a wine press, and even a spiral staircase.

Through newspaper accounts, Michelson and Navarette learned they could sue government contractors who willfully overcharge for services or engage in fraudulent activities, and that "whistleblowers" could win treble damages on behalf of the American taxpayer and personally obtain a percentage of the recovered funds through the federal False Claims Act. Both men called CLIPI seeking representation after they learned about its False Claims Act Project.

Dr. Michelson said that when he attempted to bring the Medicare abuses to the attention of his superiors, "no action was taken." When he filed his lawsuit under the False Claims Act to protect patients at the clinic and as a matter of conscience, he was fired by Scripps. CLIPI believes that information regarding the False Claims Act which reaches the public through news and television has significant value. Stories like the upcoming "60 Minutes" segment could lead directly to an increase in false claims suits, according to CLIPI's co-director John Phillips.

CLIPi is involved in a National Organization for Women (NOW) sex discrimination suit against State Farm Insurance Company to halt what it calls an arbitrary and illegal practice of charging women about 65% more for health insurance than men of the same age. (See CRLR Vol. 7, No. 3 (Summer 1987) p. 36 for details.) Freelance cinematographer Estelle Kirsh, who joined NOW in the suit, was also not covered under her policy for expenses associated with childbirth. The lawsuit alleges that State Farm's practice of charging women

higher premiums than men for health insurance policies constitutes sex discrimination and violates California's Unruh Civil Rights Act, especially when such policies do not cover pregnancy.

The state Department of Insurance has issued a finding agreeing with CLIPI's clients, Kirsh and NOW. CLIPI believes the case is important because, if successful, it could require more equitable pricing policies for women and could also apply to other types of insurance (such as auto insurance rates).

CLIPi has amended its lawsuit on behalf of Friends of Ballona Wetlands to include the City of Los Angeles as a defendant, along with the County of Los Angeles, the Summa Corporation, and the California Coastal Commission, after the city annexed 803 acres of Summa property adjacent to the Ballona Wetlands. In dispute is a marshy area south of Ballona Creek and the amount of the parcel which constitutes actual "wetlands" as defined by the California Coastal Act. Summa claims that about 215 acres passes for wetlands, while CLIPI and its clients argue the area includes at least 325 acres of wetlands.

Summa plans to build a hotel/retail complex on the eastern portion of the existing wetlands, along with a huge residential and commercial development on open space land near the wetlands and Marina del Rey. CLIPI and its clients contend that the Ballona marsh is a critical stopover for several endangered bird species which use the Pacific Flyway, the migratory route from the Arctic.

CLIPi is moving toward trial against the Orange County Board of Supervisors and its Housing Authority to force adoption of improved affordable housing programs. Last spring, negotiations failed when the Board vetoed a proposed settlement that had been developed for more than a year by CLIPI attorneys and county officials. CLIPI believes there is a tremendous shortage of state-required inexpensive housing in affluent Orange County. The county has been attracting new industry but has not provided sufficient housing for workers in the new jobs.

CENTER FOR PUBLIC INTEREST LAW

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The Center for Public Interest Law (CPIL) was formed in 1980 after approval by the faculty of the University of San Diego School of Law. The faculty selected Robert C. Fellmeth, a law faculty professor, as the Center's director. CPIL is funded by the University and private foundation grants.

The Center is run by six staff members, including an attorney in San Francisco, and approximately forty law students. Students in the Center attend courses in regulated industries, administrative law, environmental law, and consumer law, and attend meetings and monitor activities of assigned agencies. Each student also contributes quarterly agency updates to the *California Regulatory Law Reporter*. After several months, the students choose clinic projects involving active participation in rulemaking, litigation, or writing.

The Center is attempting to make the regulatory functions of state government more efficient and more visible by serving as a public monitor of state regulatory agencies. The Center studies approximately sixty agencies, including most boards, commissions and departments with entry control, rate regulation, or related regulatory powers over businesses, trades, and professions.

MAJOR PROJECTS:

On November 2, Professor Fellmeth and the Center released the First Progress Report of the State Bar Discipline Monitor. The Progress Report identified several areas in which the Bar has made significant progress since the Monitor's June 1987 Initial Report, including an increase in salary for State Bar prosecutors and an aggressive public outreach proposal. (See CRLR Vol. 7, No. 3 (Summer 1987) p. 1 for condensed version of the June 1987 Initial Report.)

However, the Progress Report criticized the Bar for its failure to request an increase in State Bar dues from the legislature during the last legislative session, which funding would be necessary to implement any of the Bar Monitor's other proposals or to finance State Bar staff requests until 1989. The Report also discussed the Bar's failure to consider and/or implement several major structural reforms advocated by the



Monitor in his Initial Report—including replacement of the Bar's 450 volunteer hearing referees with a panel of professional, independent, administrative law judges, and replacement of the Bar's eighteen-member Review Department with a panel of three appellate judges. Finally, the Progress Report included drafts of approximately ten statutory and rule changes which would implement reforms proposed in the June Report in areas such as confidentiality of pending investigations, and proactive monitoring by the Bar of contempt orders issued against attorneys, legal malpractice filings, and arrests of attorneys.

On November 19-22, the Bar's Board of Governors met for its annual retreat in Santa Barbara. Professor Fellmeth and Center staff attorneys Jim Wheaton and Julie D'Angelo attended the first day of the retreat, which was devoted to a presentation by Fellmeth and discussion by the Board of the remaining discipline issues. Because the retreat was not a properly-noticed meeting, no official action could be taken. However, the Board voted overwhelmingly, in a straw poll of sentiment, to approve most of the remaining reforms suggested in both the June and November Reports. Subsequently, at its December meeting, the Board formally approved in concept the Monitor's structural reform proposals (see *infra* agency report on STATE BAR).

On November 17, Public Utilities Commission Administrative Law Judge Lynn Carew issued a proposed opinion in the Modernization, Productivity, and Utilization phase of the ongoing Pacific Bell General Rate Case. On the critical modernization issue, in which Professor Fellmeth has long advocated the imposition of a requirement on PacBell to submit an "economic impact statement" prior to entering into a competitive venture (see *supra* FEATURE ARTICLE), Judge Carew announced she will issue a separate opinion in several weeks.

On December 15, the Center joined with Consumers Union in announcing the filing of a proposed initiative to establish a new state agency, the California Auto Accident Reimbursement Bureau, to sell state-mandated minimum liability auto insurance to drivers through the annual automobile registration process. The base premium would be approximately \$300, and the Bureau would reimburse auto accident victims for economic losses on a no-fault basis. The initiative would also require state regulation of car insurance rates and would repeal the insurance industry's

current exemption from antitrust laws.

On October 19, Center intern Mary Livingston testified before the Assembly Committee on Governmental Efficiency and Consumer Protection on the regulation of accountants by the State Board of Accountancy. Livingston argued that proposed regulatory/licensing systems must be scrutinized to ensure that they target an identified market flaw and protect consumers who actually need protection. On November 17, Center staff attorney Jim Wheaton testified before the same Assembly Committee on the ineffective performance of the Department of Consumer Affairs' forty boards, agencies, and commissions in the area of licensee discipline and responsiveness to consumer complaints.

COMMON CAUSE

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California Common Cause (CC) is a public affairs lobbying organization dedicated to obtaining a "more open, accountable and responsive government" and "decreasing the power of special interests to affect the legislature."

MAJOR PROJECTS:

On October 23, California Secretary of State March Fong Eu announced that CC's far-reaching campaign finance reform initiative will appear on the June 1988 ballot. (For background information, see CRLR Vol. 7, No. 4 (Fall 1987) p. 18 and Vol. 7, No. 1 (Winter 1987) pp. 10-11.) Backers of the measure, known as "Californians to Limit Campaign Spending," immediately launched their drive to win voter approval of the initiative, announcing their intention to raise at least \$1 million and as much as \$3 million for the campaign. Endorsers of the campaign finance reform effort include the California League of Women Voters, California Newspaper Publishers Association, California Chamber of Commerce, California Business Roundtable, Metropolitan Life Insurance Corporation, and many others.

The initiative will:

- Place limits on total expenditures by legislative candidates in primary and general election campaigns;
- Limit the size of contributions which individuals and groups may give to state legislative campaigns;
- Ban transfers from one legislative candidate to another;

-Ban off-year fundraising by legislative candidates; and

-Provide limited matching public funds (raised by a tax form check-off system) to legislative candidates who agree to accept spending limitations.

Common Cause and other initiative supporters believe state legislative campaign spending is out of control. In 1984, the average amount spent by state Assembly candidates was \$254,000; candidates for state Senate spent nearly \$543,000. These expenditures do not include funds spent in the primary elections. Common Cause reports that over 70% of funds raised in past campaigns was donated by special interests with a stake in pending or prospective legislation.

In the past, similar reform proposals have been rejected by the legislature and voters largely due to heavy spending by opposing groups. The opposition criticizes the public financing provisions; in 1986, Governor Deukmejian vetoed a bill calling for public campaign financing. Common Cause responds that U.S. Supreme Court rulings declare that campaign expenditure limits are constitutional only when a candidate is accepting some public funds. Proponents also note that a tax form check-off for presidential campaign public financing exists at the national level.

In November, Common Cause and the Insurance Consumer Action Network (ICAN) announced they had reached an agreement with the insurance industry on legislation that would open the rate regulation process to the public. The bill, AB 2297 (Connelly), would require insurance companies to file rate information annually with the state Department of Insurance, and mandate prior approval of statewide rate increases above 15% for auto and home insurance, and 25% for commercial policies. Public hearings would be held for proposed rate hikes which exceed the limits.

A memorandum of understanding signed between the two consumer groups and the industry included a promise by insurers to negotiate an accord regarding the industry's exemption from antitrust laws. Signatories agreed to work together for increased state funding for the Department of Insurance so that it can improve its performance in managing rate regulation. The memorandum also provides for consumer group input in an auto insurance study to be funded by the trial lawyers group and the insurance industry.

Two other consumer groups, Con-



sumers Union and Access to Justice Foundation, dropped out of the negotiations with the industry, calling the proposed legislation weak and arguing that the bill does not adequately deal with auto insurance reform. Those groups have filed their own insurance reform initiatives (see agency reports on CONSUMERS UNION and ACCESS TO JUSTICE FOUNDATION).

CONSUMER ACTION

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San Francisco Consumer Action (CA) is a nonprofit consumer advocacy and education organization formed in 1971. Most of its 2,300 members are in northern California but significant growth has taken place in southern California over the past year. CA is a multi-issue group which since 1984 has focused its work in the banking and telecommunications industries.

CA has filed petitions with and appeared before the California Public Utilities Commission (PUC) in the field of telephone rates. Statewide pricing surveys are published periodically comparing the rates of equal-access long distance companies and the prices of services offered by financial institutions. The purpose of the pricing surveys, which are released to the public, are to encourage consumers to comparison shop, to stimulate competition in the marketplace, and to compile data for use in advocating reforms. In 1986, more than 18,000 consumers requested survey information.

Once each year, CA publishes consumer service guides for the San Francisco Bay area and the Los Angeles area which list agencies and groups offering services to consumers and assisting with complaints. A free consumer complaint/information switchboard is provided by CA, and the group publishes a regular newsletter which includes the pricing surveys.

MAJOR PROJECTS:

On November 17, CA released its annual California Credit Card Rate survey, which showed that some credit card rates are as low as 12%, but that eighteen state financial institutions still charge interest rates of 18% and higher. The eight-page CA survey is available at no charge to consumers who send a stamped, self-addressed business-sized envelope (39 cents postage) to CA's San Francisco office.

CA urges consumers to "fight and switch" by applying for low interest rate accounts and destroying the high-rate cards. The CA survey includes a list of California and out-of-state cards with combined interest rates and cash advance charges of 16% and less. The survey revealed that consumers can use the lower rate card accounts to save money by consolidating credit card debts.

In California, ten of 34 banks and savings and loans and seven of eight credit unions have rates of 16% or less on unsecured credit cards. The lowest rate in the survey was 12% at Sacramento Savings and Loan, but it is available only to those who live in the company's service area: Napa, Placer, Sacramento, Shasta, Solano, and Sonoma counties. The second lowest interest rate on a fixed-rate card is 14% at the Bank of Canton. The state's largest banks (Bank of America, First Interstate, Security Pacific, and Wells Fargo) all offer fixed rates at the same level they charged in August 1986—an average of 20.3%. CA says that the current interest range reflects the fact that larger banks are unwilling to follow the lead of smaller financial institutions in lowering rates.

Another CA November survey found that many banks do not comply with state credit information disclosure laws. Current California law (AB 3333 (Areias-Robbins), effective October 1, 1987) requires that all mailed applications for bank and retail credit cards include information on the annual percentage rate, whether the rate is variable, the method used to determine the rate, the annualized membership fee, any transaction fees, whether there is a grace period, and how it is calculated. The CA study showed that only 16 of 26 responding California institutions included all the required disclosures, and only 6 of 19 out-of-state company applications contained the required facts. CA concludes that consumers are not receiving pre-credit approval facts they need in order to compare credit card rates.

It may be difficult to enforce the state law for out-of-state companies until a federal disclosure law is passed. CA and its national affiliate group, Consumer Federation of America, believe there is a good chance that Congress will pass a law requiring all credit cards issuers to provide uniform information in applications. The House of Representatives passed a disclosure bill in October, but the Senate has not yet considered the bill. A proposal to set an upper limit on credit card rates was

killed in the House in October; a similar rate cap proposal was defeated by the California legislature in 1987.

CA warns consumers to beware of companies offering to "repair" bad credit ratings, and suggests that the do-it-yourself method of credit rating repair is cheaper and more effective. A CA survey found that most credit repair firms used high-pressure sales tactics and made dubious claims. One company told a CA researcher that customers were required to relinquish power of attorney for the service. A majority of the companies claimed they could erase bankruptcy from a customer's credit record, even though the Federal Trade Commission says that it is impossible to remove a bankruptcy filing from one's credit record, unless the filing is over ten years old. CA suggests that consumers with credit record problems contact the Federal Trade Commission or CA for information on how to improve or repair their records.

In November, CA filed a complaint with the state Attorney General charging misleading and deceptive advertising by U.S. Sprint, the nation's third largest long distance telephone company. CA alleged that two Sprint October mailings were deceptive because they implied that AT&T customers who switched to Sprint would save up to 50% on many or most long distance calls. A recent CA survey found that AT&T is only 1-3% more expensive than Sprint for all of the 24 sample calls analyzed. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 19.) CA called on Sprint to cease its claims, send letters of clarification to all who received its mailings, and reimburse the phone company long distance connection charge to customers who have complained that they switched to Sprint after receiving the allegedly misleading promotional mailing.

CONSUMERS UNION

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Consumers Union (CU), the largest consumer organization in the nation, is a consumer advocate on a wide range of issues in both federal and state forums. At the national level, Consumers Union publishes *Consumer Reports*. Historically, Consumers Union has been very active in California consumer issues.

MAJOR PROJECTS:

In mid-December, CU filed a proposed insurance initiative that would create a state-operated auto insurance



system. The initiative would establish the California Auto Accident Reimbursement Bureau, which would sell minimum liability auto insurance at a \$300 annual premium when motorists register their vehicles. Drivers would pay an extra fee into a state fund to pay for accident damages. Maximum amounts paid would be \$15,000 per person; \$30,000 per accident to cover bodily injury; and property damage of \$5,000. Under the proposal, no reimbursement for non-economic losses (such as pain and suffering) would be allowed. The proposal would remove the exemption from antitrust laws now enjoyed by the insurance industry, and regulate all premium rates through a flex-rating system in which any annual rate increase of more than 7% for personal and 15% for commercial insurance must be state-approved.

CU representatives said the initiative would help eliminate uninsured drivers from state highways and would dramatically reduce the cost of auto insurance for all California motorists. In explaining the initiative, CU said that the "no-fault" aspect of the measure means that costs associated with non-permanent injuries are minimized, thus lowering the total cost of bodily injury coverage. The proposal is endorsed by the Center for Public Interest Law, the League of United Latin American Citizens, the Urban League, and Public Advocates. At this writing, a total of seven competing insurance initiatives are being circulated.

In November, CU and a coalition of health and consumer groups issued an appeal to Governor Deukmejian for a requirement under Proposition 65 that alcoholic beverage containers carry warning labels to pregnant women. The coalition of over one dozen organizations filed a petition with the state Health and Welfare Agency, calling on the administration to withdraw a new regulation that would allow a weaker rule requiring warning signs in stores, restaurants, and bars.

The coalition cites scientific studies which show that drinking alcohol during pregnancy can cause birth defects, mental retardation, and low birth weight. Even though alcohol is on the list of toxics regulated by Proposition 65, the liquor industry is strongly opposed to the placement of warning labels on containers. The consumer/health groups insist that container labels are mandated by the initiative and are the most effective means of informing the public of the danger.

ENVIRONMENTAL DEFENSE FUND *Rockridge Market Hall 5655 College Ave. Oakland, CA 94618 (415) 658-8008*

The Environmental Defense Fund (EDF) was formed in 1967 by a group of Long Island scientists and naturalists concerned that DDT was poisoning the environment. EDF was a major force behind the 1972 federal ban of DDT.

Staffed by scientists, economists, and attorneys, EDF is now a national organization working to protect the environment and the public health. Through extensive scientific and economic research, EDF identifies and develops solutions to environmental problems. EDF currently concentrates on four areas of concern: energy, toxics, water resources and wildlife.

MAJOR PROJECTS:

EDF's Kesterson Wildlife Refuge selenium reduction project has drawn national attention to the broader problem of irrigation wastewater disposal. (See CRLR Vol. 7, No. 3 (Summer 1987) pp. 40-41 for background information.) In its November newsletter, EDF cites another example of the problem: in California's San Joaquin Valley, seven times the amount of the agricultural wastewater as was drained into Kesterson is dumped into central Valley rivers and wetlands. The polluted water threatens fish, wildlife, waterfowl, and Valley residents, according to EDF.

The state Water Resources Control Board recently adopted an EDF-recommended strategy to deal with the San Joaquin drainage problem. EDF suggested an innovative plan using improved irrigation efficiency to reduce the amount of wastewater produced. The environmental group believes the plan offers the highest benefits at the least cost (less than \$20 per acre). EDF claims the strategy will reduce selenium levels in the San Joaquin River to two-thirds the current level and result in future reductions to non-toxic levels; lower levels of pollutants in the wastewater, including mercury, cadmium, nickel, and pesticides; and use less water overall, reducing demand for fresh water from San Francisco's fragile Bay-Delta system.

EDF reports major progress in its campaign to protect tropical rain forests and indigenous peoples threatened by destructive development projects. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 21

for background information.) Officials of two international banks which loan money for projects in developing nations have announced endorsement of environmental reforms advocated by EDF and other environmental groups.

The World Bank has announced plans to institute a comprehensive new protective program which will include the creation of a new environmental department with expanded staff to ensure that environmental concerns are integrated into all Bank policies and lending activities. The plan includes increased financing of environmentally-beneficial projects, including one to conserve tropical rain forests. EDF has urged sustained vigilance, because it believes the World Bank continues to fund many environmentally-unsound projects, such as the rain forest colonization program in Indonesia known as "Transmigration."

Management of both the World Bank and the Inter-American Development Bank (IDB) have endorsed an EDF proposal to set aside large areas in the Amazon rain forest in Brazil as "extractive reserves," where rubber tappers and local populations may harvest rain forest products. EDF's efforts to inform Congress of the destruction of rain forest resources paid off when two key senators pressured IDB on the issue. IDB responded by threatening to hold up \$40 million in loan disbursements to Brazil for construction of a highway which EDF claimed was destroying too much forest, threatening the health of indigenous people, and driving them from their ancestral lands. IDB demanded that Brazil comply with environmental safeguards which EDF had suggested be included in the loan agreement.

In August, EDF sued the federal government to force compliance with a decade-old statute requiring federal agencies to use products containing recycled materials. EDF has long argued that the best permanent solution to the solid waste problem is to reduce the amount of waste through measures such as aggressive recycling. EDF's suit seeks to overcome the major barrier to large-scale recycling—the absence of markets for recycled materials. Government preference in the purchase of such products would be a powerful tool in developing the needed markets, according to EDF. Congress recognized the importance of federal buying power for recycled materials when it passed the Resource Conservation and Recovery Act (RCRA) in 1976. RCRA required the Environmental Protection Agency (EPA) to



issue guidelines for federal agencies to stimulate the "highest percentage of recovered materials practicable."

According to EDF, five years passed with no action by EPA. Congress amended the law in 1980, imposing explicit deadlines. In its legal action, EDF contends that EPA has ignored the statutory mandate even after further amendments in 1984 requiring issuance of final guidelines. EPA has yet to comply with the law, and until the EPA guidelines are issued, no federal agency is under obligation to purchase recycled products, according to EDF's attorney in the case.

In its October newsletter, EDF reports that its legal action has expedited federal protection for at least ten critically endangered species which have now been added to the federal threatened and endangered species list. No federal protection is available for endangered animal and plant life without formal listing under the Endangered Species Act.

Early last summer, EDF warned U.S. Secretary of the Interior Donald Hodel that he had failed to meet the Act's deadlines for adding 22 species to the list, and served notice that it would sue to compel action. Within weeks, Secretary Hodel added ten of the 22 species to the list. EDF believes he will include the remainder soon. The protected list includes five rare wildflowers, a squirrel found only in Arizona, an Alabama turtle, California and Florida birds, and an Appalachian fish.

EDF reports that a just-released study regarding fly ash produced by municipal incinerators supports its contention that the ash should be regulated as hazardous waste. EDF contends that most of the 111 operating municipal incinerators are not performing currently-required toxicity testing of fly ash. EPA officials have recently announced plans to exempt the ash from classification as hazardous waste and remove the testing requirement.

The new private study—performed by Versar, Inc., for EPA—found that dioxin compounds in fly ash at four incinerators were as high as 780 parts per billion. The federal Centers for Disease Control has specified that dioxin in soil is a health concern at levels above one part per billion. The report found that all samples of fly ash exceeded EPA's toxicity threshold for cadmium, and 83% exceeded the threshold for lead. EDF cites scientific evidence which indicates that inhalation of lead can cause brain damage in children; cadmium intake can cause cancer and liver damage; and dioxin has been shown to cause

cancer in laboratory animals.

FUND FOR ANIMALS

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Founded in 1967, the Fund works for wildlife conservation and to combat cruelty to animals locally, nationally, and internationally. Its motto is "we speak for those who can't." The Fund's activities include legislation, litigation, education, and confrontation. Its New York founder, Cleveland Amory, still serves without salary as president and chief executive officer.

MAJOR PROJECTS:

Fund for Animals encourages its members to write to the Governor and legislature in support of the following bills, which have been held over from the 1987 session:

-SB 4 (Presley) would provide for an \$85 million bond issue for the acquisition and protection of rare natural areas and wildlife habitat. If the legislature passes the bill, it would be submitted to voters in the June 1988 election.

-ACA 44 (Campbell) would specify qualifications for the members of the Fish and Game Commission, which the Fund believes is now dominated by hunters. As a constitutional amendment, the bill must be placed on the ballot after passage by the legislature.

-AJR 44 (Hauser and Farr) would request federal legislation banning importation of fish products from countries which continue commercial whaling.

-AB 396 (Mojonnier) would require felony penalties against the owner or person having custody of any vicious animal, if that person willfully or negligently allows the animal to kill or substantially injure a human being.

-AB 2507 (Speier) would allow students through high school to refuse to dissect or otherwise harm animals in the classroom "if the teacher believes that an adequate alternative education project is possible."

-AB 2518 (Campbell) would allow the Department of Fish and Game to require an agency to comply fully with all mitigation agreements on prior projects before planning a new project.

-AB 2653 (Bates) would ban any enclosure for veal calves which does not allow the calf to stand up, sit down, and turn around. Presently, the calves are chained at the neck in narrow crates.

The California Political Action Committee for Animals has recently pub-

lished the "Voting Record of the California State Legislature: 1987." The report may be obtained by writing or calling PAW PAC at P.O. Box 2354, San Francisco 94126 or (415) 885-2679. The voting record lists all state senators' and assemblymembers' votes on sixteen bills considered key to animal rights issues.

Fund for Animals has established an Animal Trust Sanctuary and Wildlife Rehabilitation Center in Ramona (north-east of San Diego). Many injured and baby wild animals are cared for at the Center until they can again be released to the wild. Dogs and cats are available for adoption at the Center, and animals which must permanently live at the Ramona Center and two other locations may be assisted with tax-deductible contributions.

Fund for Animals in Los Angeles has prepared a special exhibit on animal rights which began touring southern California libraries in September. Other animal protection organizations have contributed to the exhibit. For information on the project, call Jerrie Mooney at (213) 830-7400.

ICAN (INSURANCE CONSUMER ACTION NETWORK)

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The Insurance Consumer Action Network (ICAN), organized in January 1986, is a coalition of individuals and organizations committed to providing a consumer perspective to balance insurance industry lobbying, and to being involved in the process which shapes and protects insurance consumers' rights and interests at state and national levels. Presently based in Los Angeles, ICAN affiliates include Common Cause, Consumers Union and Public Advocates; it is working to establish a presence in other states. ICAN/Legislate, a network of state legislators who are members of policy committees which consider insurance issues, is intended to offset the influence of a similar industry group and will develop public policy, conduct research, and draft model legislation in the interests of the insurance consumer.

MAJOR PROJECTS:

In December, ICAN announced the filing of an initiative proposal to reduce insurance premiums and grant more rate regulation authority for the state Depart-



ment of Insurance (DOI). Currently, seven competing insurance initiatives are being circulated. Among other things, ICAN's initiative would provide for the regulation of auto, home, and commercial insurance rates; allow consumers to challenge proposed rate increases; establish an insurance consumer advocate's office in state government; require a discount for good drivers; and repeal existing provisions which prohibit banks from selling insurance.

To avoid resorting to the initiative process, ICAN and Common Cause had earlier attempted to reach a compromise with the insurance industry, trial lawyers, and key legislators on a proposed bill to deal with the insurance crisis. Access to Justice Foundation and Consumers Union withdrew from those discussions, contending that the industry was not serious about seeking meaningful auto insurance reform. On December 15, the insurance industry announced the filing of its own initiative; the trial lawyers group followed shortly thereafter with the filing of its measure on December 16. The various players have not ruled out the possibility of negotiated compromise legislation to take the place of the initiatives.

The compromise legislation agreed to by ICAN and the insurance industry would require insurers to file annual rate plans with the DOI. Statewide rate increases which exceed 15% for auto and home insurance and 25% for commercial policies must receive prior approval from the Insurance Commissioner. Individual consumers could be reimbursed for expenses of hiring expert witnesses. The draft legislation would require insurance companies to annually reveal data showing the amount collected in premiums and paid in claims by zip code areas. A memorandum signed by the parties would allow consumer group participation in a study funded by trial lawyers and insurers which would identify the causes of the auto insurance crisis and suggested solutions.

In December, state Insurance Commissioner Roxani Gillespie abolished DOI's Consumer Advocacy Board and established a new seven-member consumer advisory panel within the Department. The new group will meet quarterly to advise the DOI. The Commissioner decided not to reappoint ICAN Executive Steve Miller, who had served on the earlier panel, because she believes he is a "lobbyist." Miller responded that he is not required to register as a lobbyist and that he is not a lobbyist. The Commissioner's office said the new panel

would be composed of a majority of consumer representatives and that members would be appointed in January.

LEAGUE FOR COASTAL PROTECTION

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Created in 1981, the League for Coastal Protection (LCP) is a coalition of citizen organizations and individuals working to preserve California's coast. It is the only statewide organization concentrating all its efforts on protecting the coast. The League maintains a constant presence in Sacramento and monitors Coastal Commission hearings.

MAJOR PROJECTS:

LCP's January/February *Coastlines* newsletter reports that the California Coastal Commission may have recently won the first round in its fight against the threat of decertification by the U.S. Department of Commerce. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 23 for background information.) The author of a Commerce Department attack on the Commission was removed from his duties on the California case by the acting director of National Oceanic and Atmospheric Administration. Decertification would mean a loss to the Commission of approximately \$2 million annually, and loss of ability to influence energy development in offshore areas regulated by the federal government.

Last May, Department of the Interior Secretary Donald Hodel demanded that Commerce require policy changes by the Coastal Commission when he charged that it had been "usurping" federal authority. As CRLR went to press, federal officials were still pushing for changes and settlement of outstanding differences in the Coastal Commission's program for regulation and approval of offshore oil projects. The 1972 Coastal Zone Management Act grants states certain rights of approval over such projects.

LCP believes that 1988 will bring serious challenges and unique opportunities for the California coastline. Critical decisions regarding new offshore drilling will be in the hands of the next President. Environmentalists fear that Governor Deukmejian will continue his efforts to kill the Coastal Commission with severe budget cuts.

LCP predicts that the new year will also bring more controversy over critical state coastal areas targeted for Outer

Continental Shelf (OCS) oil lease sales. Lease Sale #91, encompassing the Mendocino County coast and much of the Humboldt County coast, is scheduled for February 1989. LCP hopes that Congress or the new White House administration will halt this sale in order to preserve what LCP calls some of America's most spectacular coastline. The prelease planning process for Lease Sale #95 has begun, which includes likely oil drilling targets in nearshore waters off La Jolla, Oceanside, Laguna Beach, Newport Beach, Palos Verdes, Santa Monica, and southern Big Sur.

Coastlines reports that major victories for the coast have often occurred during presidential election years. LCP believes that the next federal administration represents the determining factor for the California coast because of the broad authority granted to the Secretary of the Interior under the Outer Continental Shelf Lands Act. In November, a conference entitled "Troubled Waters: The Future of the Coast" was convened in Santa Monica where Democratic presidential candidates Richard Gephardt, Michael Dukakis, Paul Simon, Jesse Jackson, Albert Gore, and Bruce Babbitt presented their views on California offshore oil drilling via video interviews. Most of the candidates endorsed either the Boxer-Levine or Cranston versions of the California Ocean Sanctuary legislation, or stated that they would review or withdraw Secretary Hodel's five-year drilling program and replace it with a proposal which respects environmental values. Republican party candidates were also invited to voice their views on coastal issues at the conference, but declined. LCP says that the number of electoral votes in the state and the large potential for fundraising make it difficult for candidates to ignore coastal issues. A statewide "Campaign for the Coast" day is planned for May when volunteers will engage in precinct work.

The LCP/Sierra Club litigation to protect endangered bird species in southern California continues to progress (see CRLR Vol. 7, No. 4 (Fall 1987) p. 23 and Vol. 7, No. 2 (Spring 1987) p. 25 for background information). In late December, the U.S. Fish and Wildlife Service (USFWS) issued a draft biological study on development of forty acres of City of Chula Vista land on San Diego Bay. The draft report concluded that development should not be allowed in the area of Chula Vista's Gunpowder Point. Chula Vista plans to build a \$500 million, 400-room hotel and marina at the site. The California Coastal Commis-



sion approved the project in 1984, in spite of a 1980 USFWS environmental impact statement which recommended passive recreation only for the Gunpowder Point area. The December USFWS report said the land should be conveyed to the federal agency as a refuge for endangered species, such as the California least tern and the light-footed clapper rail.

The USFWS study was ordered by a federal judge last July after the Sierra Club and LCP won a ruling to temporarily halt development of a nearby flood control and freeway project, until the environmental impacts of the flood control and bayfront developments were thoroughly examined.

NATURAL RESOURCES DEFENSE COUNCIL

90 New Montgomery St., Suite 620
San Francisco, CA 94105
(415) 777-0220

The Natural Resources Defense Council (NRDC) is a nonprofit environmental advocacy organization with a nationwide membership of more than 70,000 individuals, more than 13,000 of whom reside in California. Since 1972, NRDC's western office in San Francisco has been active on a wide range of California, western, and national environmental issues. Most of that work is now grouped under five subject-matter headings: public lands, coastal resources, pesticides, energy, and water supply. In these areas, NRDC lawyers and scientists work on behalf of underrepresented environmental quality interests before numerous state and federal forums. Public health concerns are increasingly a priority, in addition to conservation of nonrenewable resources and ecosystem preservation.

NRDC has been active in developing energy conservation alternatives to new power plants and offshore oil drilling, and resource-conserving land use policies in California's coastal counties and federally-managed lands. Notable recent achievements claimed by NRDC include leadership of coalitions which have developed broadly-supported federal legislative initiatives on pesticide regulation and efficiency standards for household appliances.

Agricultural water supply and drainage issues are taking on growing importance with NRDC, including the widely-publicized contamination of the Kesterson Wildlife Refuge and the broader policy issues underlying that crisis. In Califor-

nia, NRDC appears frequently before the Coastal Commission, Energy Commission, and Public Utilities Commission. NRDC also maintains offices in New York and Washington, D.C.

MAJOR PROJECTS:

NRDC believes that its involvement—along with that of other environmental groups and a watchful media—resulted in preventing the U.S. Administration from capitulating during negotiations on an agreement to limit production of chlorofluorocarbons (CFCs) reached at an international meeting in Montreal last September. Scientists have discovered that CFCs cause deterioration in the earth's ozone layer, which protects all life from excessive ultraviolet radiation. As ozone deteriorates, a corresponding increase in skin cancers, cataracts, and other environmental degradation occurs. At the Montreal conference, 24 nations signed a pact to reduce consumption of CFCs in the industrial world by 50% by the end of the century. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 21 (report on ENVIRONMENTAL DEFENSE FUND) for background information.)

According to NRDC, the CFC agreement and a related decision to freeze (and not reduce) other ozone depleters known as halons mean that the net global reduction in all damaging chemicals will be only 35-40%. CFCs remain in the stratosphere for over 100 years; and scientists widely agree that only a complete phase-out of the chemicals will stop ozone depletion, and that at least an 85% cut in emissions is required to simply stabilize CFC levels.

In 1986, the Environmental Protection Agency (EPA) opened the Montreal international negotiations by proposing a 95% phase-out of the key ozone-depleting chemicals over a ten-to-fourteen-year period. On December 1, however, EPA released its proposed new restrictions on CFCs and halons, which would cut production of CFCs to 50% of 1986 levels by 1998, and freeze halon levels at 1986 levels by 1994. NRDC and other environmentalists criticized the EPA for not going far enough and because the proposed restrictions are contingent on ratification by the governments of the 24 nations which signed the September agreement to reduce ozone-depleting chemicals.

NRDC and Soviet scientists continue their joint nuclear weapons testing monitoring and verification project known as the U.S.-U.S.S.R. Nuclear Test Ban Verification Team. (See CRLR Vol. 7,

No. 1 (Winter 1987) p. 23 for background information.) A formal agreement between NRDC and the Soviet Academy of Sciences was signed in May 1986, with the aim of demonstrating to the governments of both countries that even very small explosions can be detected over distances of hundreds of miles by sensitive equipment buried in the ground. If the United States and Soviet Union sign a nuclear test ban treaty, such monitoring capability would be the means of policing the agreement. A test ban treaty would slow down the escalating nuclear arms race since the development of new weapons and space-based weapons depends upon underground testing.

In September, the U.S.-Soviet team set off three ten-ton TNT explosions 82 feet deep in the remote Asian Soviet Kazakh Republic, which is 270 miles west of the main Soviet nuclear weapons test site. Shortly before the third TNT test, the seismic equipment registered an earthquake centered in the western Pacific Ocean. The event demonstrated the clearly distinguishable seismic characteristics between an explosion and an earthquake. NRDC believes the advantageous coincidence of the earthquake occurring less than two minutes before the TNT explosion should lay to rest the concern of some arms negotiators that a country might cheat on a test ban by camouflaging small nuclear tests during earthquakes.

Under the extended agreement signed last June between NRDC and the Soviet Academy of Sciences, the three existing seismic monitoring stations, plus an additional five new stations, will be allowed to operate during actual Soviet weapons tests. The Soviet Union has granted the American scientific team unlimited visas to operate the monitoring stations. The U.S. Administration, however, has refused to allow Soviet scientists to visit the seismic stations located near the Nevada nuclear weapons test site, according to NRDC.

NETWORK PROJECT

P.O. Box 1736
Santa Monica, CA 90406
(213) 395-7622

The Network Project is a nonprofit, tax-deductible consumer research organization established in 1985 to monitor the impact of new technologies on consumers and the exercise of consumer rights in the marketplace. The project



will focus on how high technology can be used to both protect consumers and enhance citizen participation in democratic institutions. The bimonthly newsletter *Network* provides subscribers with information on consumer issues, including articles on state and federal consumer-related activities. The *Consumer Alert* bulletin is published periodically to inform members of critical developments on consumer issues.

MAJOR PROJECTS:

Publication of the joint report by the Network Project and the Center for the Study of Responsive Law on consumer billing complaints and problems has been delayed. The report is now expected to be available by March 1988 (see CRLR Vol. 7, No. 4 (Fall 1987) p. 24 for details on the report).

According to Network Project, indecipherable or erroneous computerized bills from utilities and corporations are commonplace and cost consumers billions of dollars every year. Consumers can help correct errors and eliminate fraudulent practices by paying attention to billing statements they receive. Network Project urges consumers to make phone calls and write letters of inquiry and complaint when they believe their bills are in error. Honest and reputable companies are interested in hearing from customers and want to keep their business and earn their satisfaction.

For a list of common billing problems and guidelines on how to correct billing mistakes, request the *Buyer's Market* newsletter from the Center for the Study of Responsive Law, P.O. Box 19367, Washington D.C. 20036; or call Network Project. For additional assistance, NP suggests the free 90-page *Consumer's Resource Handbook* from the federal Consumer Information Center, Pueblo, CO 91009.

PACIFIC LEGAL FOUNDATION

555 Capitol Mall, Suite 350
Sacramento, CA 95814
(916) 444-0154

The Pacific Legal Foundation (PLF) is a public interest law firm which supports free enterprise, private property rights, and individual freedom. PLF devotes most of its resources to litigation, presently participating in more than 100 cases in state and federal courts.

MAJOR PROJECTS:

In early October, PLF filed a brief

with the U.S. Supreme Court in *Communications Workers of America v. Beck*, urging protection from what PLF believes are compelled political donations. In the action, PLF represents itself and an association known as the Screen Actors Guild Leaders for Labor Justice, which includes twelve current and former officials of the Screen Actors Guild.

Under the National Labor Relations Act, employees of a particular company or bargaining unit may choose an organization to serve as its exclusive bargaining agent. The Act authorizes the agent to negotiate for the inclusion of an "agency shop fee" clause in the collective bargaining agreement. Agency shop requires all employees to join the organization serving as agent, or to pay the agent a fee equal to membership dues. PLF contends that while most employees do not oppose paying their fair share of the cost of collective bargaining, they do object to the use of compelled fees to finance political activities with which they disagree.

PLF and its clients insist that many employee associations typically devote a significant percentage of dues and fees to lobbying Congress and campaigning for congressional and presidential candidates, in areas which are often at odds with the beliefs of some members or fee payers. PLF hopes the Court will issue a decision giving employees a choice whether to support a labor organization's political activities.

On November 21, PLF participated with twelve other organizations in a live satellite-relayed teleconference beamed to California State University campuses and other sites. The teleconference was known as "The World After Recent U.S. Supreme Court Decisions." PLF was involved in four of the major cases discussed at the teleconference, including *Keystone Bituminous Coal Ass'n v. DeBenedictis* (Pennsylvania); *First English Evangelical Lutheran Church of Glendale v. County of Los Angeles*; *Nollan v. California Coastal Commission*; and *Pennel v. San Jose*.

As a result of a PLF legal victory in *Santa Barbara Taxpayers Ass'n v. County of Santa Barbara*, many counties and municipalities in California may be required to rebate excess taxes to local taxpayers. (See CRLR Vol. 7, No. 4 (Fall 1987) p. 24 for background information.) In a recent decision, the California Supreme Court let stand an appellate court ruling which upheld voter-imposed limits on local government spending under the Gann Amendment. PLF represented the taxpayers

association in its effort to stop the county from collecting money in excess of the Gann initiative limits. The county had refused to include contributions to employee retirement systems in the spending limit formula.

In *Common Cause v. County of Los Angeles*, PLF supports the county in its fight against a proposed requirement that its employees serve as deputy voter registrars in county buildings. The California Supreme Court recently agreed to hear the issues in the case.

PLANNING AND CONSERVATION LEAGUE

909 12th St., Suite 203
Sacramento, CA 95814
(916) 444-8726

The Planning and Conservation League (PCL) is a nonprofit statewide alliance of several thousand citizens and more than 120 conservation organizations devoted to promoting sound environmental legislation in California. Located in Sacramento, PCL actively lobbies for legislation to preserve California's coast; to prevent dumping of toxic wastes into air, water, and land; to preserve wild and scenic rivers; and to protect open space and agricultural land.

PCL is the oldest environmental lobbying group in the state. Founded in 1965 by a group of citizens concerned about uncontrolled development throughout the state, PCL has fought for two decades to develop a body of resource-protective environmental law which will keep the state beautiful and productive.

PCL's promotional literature states that it has been active in every major environmental effort in California and a participant in the passage of several pieces of significant legislation, including the California Environmental Quality Act, the Coastal Protection Law, the act creating the Bay Conservation and Development Commission, the Lake Tahoe Compact Act, the Energy Commission Act, the Wild and Scenic Rivers Act, and laws which enhance the quality of urban environments.

PCL is supported by individual and group membership fees, with a current membership of more than 7,000 individuals. PCL established its nonprofit, tax-deductible PCL Foundation in 1971, which is supported by donations from individuals, other foundations, and government grants. The Foundation specializes in research and public education programs on a variety of natural re-



source issues. It has undertaken several major projects, including studies of the California coast, water quality, river recreation industries, energy pricing, land use, the state's environmental budget, and implementation of environmental policies.

MAJOR PROJECTS:

On December 18, the California Secretary of State announced that the PCL-sponsored Wildlife, Coastal and Parkland Conservation Bond Act has qualified for the June 1988 ballot. In November, PCL and a large coalition of environmental groups submitted 736,260 signatures—600,000 of which were collected by volunteers, and the remainder by paid signature gatherers. Secretary of State March Fong Eu's office said a random sample validation count from the state's 58 counties indicated that 570,832 signatures were valid. The initiative needed 372,178 registered voter signatures to appear on the ballot. The measure is the first initiative bond act to qualify for an election since 1914.

If passed by voters, the bond act will authorize the state to sell \$776 million in general obligation bonds to be repaid over a number of decades by tax revenues. The state parks system would receive \$153 million for land acquisition; regional and local parks would receive \$336 million to purchase new parklands; wildlife habitat protection would receive \$129 million; coastal protection would get \$85 million; \$15 million would be used for trails, urban streams, and forestry; \$17 million for trout and salmon protection; \$30 million for land acquisition in the Santa Monica Mountains; and \$11 million for historic preservation.

The bond act has been endorsed by over 150 conservation, civic, and business organizations, U.S. Senators Alan Cranston and Pete Wilson, Lt. Governor Leo McCarthy, Attorney General John Van de Kamp, Controller Gray Davis, thirty cities and counties, and 42 members of the state legislature. Newspaper editorial support has been published in the *San Francisco Chronicle*, *Los Angeles Times*, *San Diego Tribune*, and the *Marin Independent Journal*.

PCL's annual Environmental Symposium is scheduled for January 30-31 in Sacramento. On this occasion each year, conservationists meet to plan legislative strategy, listen to state political leadership, and socialize. This year's featured speakers are Lt. Governor McCarthy and television commentator Bill Press (executive director of PCL from 1973-75), both of whom are Demo-

cratic candidates for the 1988 U.S. Senate race. At this writing, Senator Pete Wilson has been invited to speak as well, but has not yet confirmed. The symposium features workshops on toxics, air quality, wildlife, growth control and local planning, water development, and the use of the initiative process at the local and state levels.

PUBLIC ADVOCATES

1535 Mission St.
San Francisco, CA 94103
(415) 431-7430

Public Advocates (PA) is a nonprofit public interest law firm concentrating on the areas of education, employment, health, housing, and consumer affairs. PA is committed to providing legal representation to the poor, racial minorities, the elderly, women, and other legally underrepresented groups. Since its founding in 1971, PA claims it has filed over 100 class action suits and represented more than 70 organizations, including the NAACP, the League of United Latin American Citizens, the National Organization for Women and the Gray Panthers.

MAJOR PROJECTS:

Two years ago, Public Advocates sued companies offering "976" telephone prefix services, claiming deceptive marketing of "Dial-a-Santa" and other services aimed at children. (See CRLR Vol. 5, No. 4 (Fall 1985) for background information.) PA also sued Pacific Bell and General Telephone, alleging that 976 services have a negative impact on low-income families. Recently, PA and its clients were influential in the drafting of 1986 state legislation (AB 2550-Peace) requiring telephone companies to allow consumers to block 976 calls dialed from their home or business. A mid-1987 study by Public Advocates found that over 1.1 million telephone customers desire the 976 blocking capability.

After hearings and technical analysis of the current blocking capability of telephone company equipment, the Public Utilities Commission on December 11 ordered California telephone companies to allow customers to block all 976 services, including "dial-a-porn." Companies providing the taped messages will pay most of the costs of the blocking services. By February 1988, the blocking capability will be available to about 88% of California telephone customers served by phone company offices with blocking-capable equipment for a

one-time charge of \$2 for residential customers and \$5 for business customers. Universal Lifeline customers will receive the service without charge, if requested. Those who sign up for the service are advised that the blocking technology is not selective at this time, and will eliminate the use of all 976 prefix telephone calls. According to PacBell representatives, selective blocking of specific 976 calls may be available later in the year. The service will not block calls made to 976 prefixes in other states.

Customers without access to blocking due to a lack of new equipment in all areas will be offered two additional refunds for 976 calls made without the customer's authorization. Complaints and lawsuits by PA and other groups led to an earlier PUC order requiring phone companies to allow a one-time refund to customers who claimed the calls were made without their permission, or who said they were not aware of the fees.

PA asserts that the recent *King v. Meese* decision by the state Supreme Court requiring all motorists to carry proof of auto liability insurance in the vehicle has now thrust the issue of auto insurance to the top of the legislative agenda. PA believes the result of the court decision is essentially "drive a car—go to jail," and that it adversely affects low-income people who cannot afford to buy auto insurance. The decision prompted PA to join Consumers Union, the Center for Public Interest Law, and other groups in the filing and circulation of an auto insurance reform initiative (see *supra* report on CONSUMERS UNION).

Public Advocates completed a year-long study of Bay area homeless people and published the results in a report entitled "Avenues Out of Despair." The report documents the current "band-aid" approach to the growing homelessness problem and urges government leaders to establish regional support centers and programs which will provide the homeless with the services and assistance required to break the cruel cycle. The report is available through the PA office for \$20, which covers postage and handling.



PUBLIC INTEREST CLEARINGHOUSE

200 McAllister St.
San Francisco, CA 94102-4978
(415) 565-4695

The Public Interest Clearinghouse (PIC) is a resource and coordination center for public interest law and state-wide legal services. PIC is partially sponsored by three San Francisco Bay area law schools: Hastings School of Law, University of Santa Clara School of Law, and Golden Gate Law School.

Through the Legal Services Coordination Project, PIC serves as a general resource center for all legal services programs in California and other states in the Pacific region. Services include information on funding sources and regulations, administrative materials, and coordination of training programs.

The Public Interest Users Group (PUG) addresses the needs of computer users in the public interest legal community. Members include legal services programs in the western region of the United States, State Bar Trust Fund recipients, and other professionals in various stages of computerization. PUG coordinates training events and user group meetings, and serves as a clearinghouse for information shared by public interest attorneys.

PIC's bi-weekly "Public Interest Employment Service" lists positions for a variety of national, state, and local public interest organizations, including openings for attorneys, administrators, paralegals, and fundraisers.

PIC's public interest law program at the three sponsoring law schools helps prepare students to be effective advocates for the poor and other disadvantaged members of society. A project known as "PALS"—the Public Interest Attorney-Law Student Liaison Program—matches interested law students with practitioners in the field for informal discussions about the practice of law.

PIC's Academic Project promotes and facilitates the interaction of law school faculty and legal services attorneys in furtherance of law in the public interest. Faculty members assist practicing attorneys with legal services cases, and staff attorneys help faculty with research and course materials.

The Clearinghouse's quarterly newsletter, *Impact: A California Digest of Public Interest Practice*, keeps the public interest community up-to-date on developments in litigation and legislation, and reports on activities of other public interest advocates. PIC also pub-

lishes the *Directory of Bay Area Public Interest Organizations*, which lists over 600 groups and information on their services and fees.

PIC also publishes the *Public Interest Advocate*, a newsletter of its Public Interest Law Program. The newsletter prints information on part-time and summer positions available to law students. It is published August through May for law students in northern California. Listings are free and must be received by the 10th of the month.

MAJOR PROJECTS:

PIC's Board of Directors meets quarterly to advise and approve the staff's performance in providing information and training to legal services programs, *pro bono* attorneys, law students, and other public interest personnel throughout the western states. PIC bylaws provide for the election to its Board of one student representative chosen on a rotating basis from law schools participating in PIC programs. In 1988, law students from Golden Gate School of Law will elect a student to serve on the PIC Board.

Service on the Board provides the student with valuable experience and contacts, and the opportunity to work with leading members of the public interest community. Student candidates for the Board must be a current member of PIC's Public Interest Law Program and must have a strong commitment to public interest law. The elected student Board member is expected to attend all Board meetings, serve on Board committees, and serve as liaison between the Board and the school.

PIC's Computer Users Group (PUG) advises public interest law and nonprofit groups that a bulletin board service (BBS) is available which links computer experts with nonprofit organizations in need of technical assistance. The WELL (Whole Earth 'Lectronic Link) project is a northern California BBS and sponsors a broad range of conferences, including one specifically designed to help nonprofits solve technical problems with the help of computer buffs. Many problems can be solved by a simple on-line exchange of messages, according to PUG. WELL experts have performed on-site nonprofit technical rescues, debugged software, connected hardware, and helped establish communications connections. It has saved financially and technically deficient organizations many hours and a great deal of money in consulting costs. WELL membership information is available by calling (415) 332-4335.

SIERRA CLUB

Legislative Office
1228 N St., Suite 31
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(916) 444-6906

The Sierra Club has 155,000 members in California and over 400,000 members nationally, and works actively on environmental and natural resource protection issues. The Club is directed by volunteer activists.

In California, Sierra Club has 13 chapters, some with staffed offices. Sierra Club maintains a legislative office in Sacramento to lobby on numerous state issues, including toxics and pesticides, air and water quality, parks, forests, land use, energy, coastal protection, water development, and wildlife. In addition to lobbying the state legislature, the Club monitors the activities of several state agencies: the Air Resources Board, Coastal Commission, Department of Health Services, Parks Department, and Resources Agency. The Sacramento office publishes three newsletters: *Legislative Agenda* (25 times per year); and *Toxics Insider* and *Coastal Insider* (each about four times per year). The Sierra Club Committee on Political Education (SCOPE) is the Club's political action committee, which endorses candidates and organizes volunteer support in election campaigns.

The Sierra Club maintains national headquarters in San Francisco, and operates a legislative office in Washington, D.C., and regional offices in several cities including Oakland and Los Angeles.

MAJOR PROJECTS:

Sierra Club's November *Legislative Agenda* newsletter reports that 1987 ended fairly happily in terms of its legislative priorities. Five bills supported by the Club passed the legislature and were signed into law (see CRLR Vol. 7, No. 4 (Fall 1987) p. 27). The Club reports that a major disappointment was the failure of a Senate committee to pass an innovative plan to promote the use of cleaner-burning fuels in motor vehicles. Bills authorizing the development of major new water transfer facilities from northern to southern California, which environmentalists consider misguided, were headed off by a split within the usually monolithic southern state legislative caucus, combined with an all-out effort to block the bill by Bay area legislators and local grassroots pressure.

Despite a strong public outpouring of support for coastal protection programs and legislation, the Club believes



that Governor Deukmejian has undermined the state Coastal Commission by slashing its budget and attempting to close the central coast Commission offices. According to the Club, the Senate Rules Committee finally responded to a tremendous grassroots lobbying effort by replacing two Coastal Commission appointees viewed by environmentalists as having "disastrous" environmental voting records. The two new Commissioners appear to be more supportive of environmental and coastal protection. The Club believes the change creates a generally even split on the Commission between environmental and anti-environmental members.

The Club also reports that 1987 improvements in the Department of Health Services' approach to toxics issues were unfortunately overshadowed by the Governor's mishandling of the implementation of Proposition 65, and by his veto of important water quality legislation. Sierra Club believes Californians were shocked by the Governor's elimination of Cal-OSHA, which administered one of the most important state toxics regulatory programs.

Wildlife protection efforts, including the passage of gill net restrictions vital to the protection of marine mammals and birds along the coast, were among the Club's most successful efforts. Sea otters were reintroduced to San Nicolas Island after a long absence. The endangered species tax form check-off program and the state's Tule elk population were saved from potentially damaging bills. A legislative attempt to begin sport trophy hunting of mountain lions was derailed by court action.

The 12,000 member San Diego County chapter of the Sierra Club has waged a struggle for over four years to halt approval of a major new water project—the Pamo Dam. In late December, San Diego Democratic Representative Jim Bates bolstered the group's cause by declaring his firm opposition to the project. The other four San Diego County representatives—all Republicans—support construction of Pamo Dam, the projected cost of which is \$107-160 million.

The Environmental Protection Agency's (EPA) regional office in San Francisco has opposed the project, contending that less costly and environmentally-damaging alternatives are available. In late November, EPA made a significant move toward rejecting the dam by announcing its intention to begin the review process, leading to a final decision within ninety days. The

264-foot high Pamo Dam would flood 1800 acres of the Santa Ysabel Valley in central San Diego County, which environmentalists consider destructive to archaeological resources and important wildlife habitat critical to an endangered bird species, the least Bell's vireo. The final decision on the dam rests with EPA's assistant administrator for water in Washington, D.C.

Sierra Club urges its members to act during EPA's public comment period by writing to the San Francisco regional administrator expressing support for her decision to reject the Pamo Dam permit.

TURN (TOWARD UTILITY RATE NORMALIZATION)

693 Mission St., 2nd Floor
San Francisco, CA 94105
(415) 543-1576

Toward Utility Rate Normalization (TURN) is a nonprofit advocacy group with about 40,000 members throughout California. About one-third of its membership resides in southern California. TURN represents its members, comprised of residential and small business consumers, in electrical, natural gas, and telephone utility rate proceedings before the Public Utilities Commission (PUC), the courts, and federal regulatory and administrative agencies. The group's staff also provides technical advice to individual legislators and legislative committees, occasionally taking positions on legislation. TURN has intervened in about 200 proceedings since its founding in 1973.

MAJOR PROJECTS:

In October, TURN celebrated its fourteenth year of "effective legal defense of small utility customers" with a fundraising party.

TURN is awaiting a state Supreme Court decision on its appeal for review of a Pacific Gas & Electric Company (PG&E) rate increase for Diablo Canyon nuclear power plant costs. Last June the court rejected PG&E's request for dismissal of the case. Recently, the California League of Food Processors, representing large energy users, joined the case as *amicus curiae*, arguing that the PUC's decision to permit a rate increase could allow PG&E to unlawfully raise rates retroactively. TURN and the food processors have asked the court to nullify the rate decision and refund \$338 million to ratepayers. TURN is also preparing for the major PUC reasonable-

ness case which will analyze the Diablo Canyon nuclear plant costs.

TURN intervened in Southern California Edison Company's (SCE) application for creation of a holding company, the first step in diversifying its operations to include non-utility companies. Last fall, the administrative law judge in the case recommended approval of SCE's request. The Commission was scheduled to discuss the case at its January 8 meeting. TURN's attorney and expert witnesses in the case proposed a number of conditions, including the payment of royalties from non-utility subsidiaries to SCE ratepayers for "intangible" benefits resulting from SCE's association with the utility.

In its intervention in SCE's General Rate Case, TURN argued against the imposition of a \$4.56-per-month service charge, contending that there is no justification for the new charge, which would have an impact on 74% of SCE customers. SCE had originally sought an overall rate increase of \$301 million, which was later reduced by the company to \$79 million after the PUC's Public Staff Division recommended an overall decrease in the General Rate Case of \$22 million. In late December, the PUC rejected the monthly customer service charge and granted SCE ratepayers a collective decrease of \$32.7 million in 1988. The collective reduction ordered by the PUC reflects a variety of rate and cost adjustments and refunds.

The proceedings in Phase 3 of the Pacific Bell General Rate Case were closed in December and a decision is expected later this spring. In Phase 3, TURN recommended reduced rates for residential customers, reductions in the zoned measured usage charges, and elimination of the monthly fee for touch-tone service. TURN also argued for a reduction in coin-operated phone charges to ten cents per call and called on the PUC to eliminate the monthly insurance charge for inside wire repair, urging the Commission to take jurisdiction over inside wire issues.

In the Southern California Gas Company (SoCal) rate restructuring case, the PUC agreed with TURN on an 11% (rather than 22%) gas rate increase for residential customers. TURN will soon be cross-examined in Federal Energy Regulatory Commission proceedings on the proposed connection of interstate gas pipelines to California, which are intended to serve oil refineries in Kern County. In a rare instance, TURN has been joined in its opposition to the pipeline connection by PG&E and SoCal,



currently the only two natural gas providers in the state. TURN believes the fixed costs of the pipeline will fall on California residential ratepayers.

After lengthy negotiations with TURN and other consumer groups, the PUC last fall ordered utility companies to insert announcements in utility billings stating that consumers may obtain a list of groups which intervene in rate cases on behalf of ratepayers. Consumers may obtain the list by contacting the PUC's Public Advisor, 505 Van Ness Avenue, San Francisco, CA 94102. Pacific Bell initiated the bill inserts in September, followed by PG&E in October. Utilities must include the notices four times per year. At the end of the trial program, the PUC will evaluate the results and determine, with the input of intervenors, whether the program is effective and worth continuing, and ways in which it may be improved.

UCAN (UTILITY CONSUMERS' ACTION NETWORK)

4901 Morena Blvd., Suite 128
San Diego, CA 92117
(619) 696-7510

Utility Consumers' Action Network (UCAN) is a nonprofit advocacy group supported by 65,000 San Diego Gas and Electric Company (SDG&E) residential and small business ratepayers. UCAN focuses upon intervention before the California Public Utilities Commission (PUC) on issues which directly impact San Diego ratepayers.

UCAN was founded in 1983 after receiving permission from the Public Utilities Commission to place inserts in SDG&E billing packets. These inserts permitted UCAN to attract a large membership within one year. The insert privilege has been suspended as a result of a United States Supreme Court decision limiting the content of such inserts.

UCAN began its advocacy in 1984. It has intervened in SDG&E's 1985 General Rate Case; 1984, 1985, and 1986 Energy Cost Adjustment Clause proceedings; the San Onofre cost overrun hearings; and SDG&E's holding company application. UCAN also assists individual ratepayers with complaints against SDG&E and offers its informational resources to San Diegans.

MAJOR PROJECTS:

A September decision by the PUC, which UCAN considers a victory, will make it easier for consumers to become

aware of and contact organizations which represent their interests in utility rate proceedings. UCAN requested that SDG&E and other PUC-regulated utilities be required to include notices in billing envelopes regarding consumer groups which intervene in PUC rate proceedings. The notices will be inserted four times by each utility between September 1987 and December 1988, and will explain that a list of consumer group intervenors is available by contacting the PUC's Public Advisor at (415) 557-0890. SDG&E will mail the first notice during its February billing cycle.

Toward the end of 1988, the Public Advisor's office will issue a report on the effectiveness of the program, following an assessment of its own record of requests for information and a survey of intervenor groups. UCAN and other groups hope that the bill inserts will mean not only more help for consumers with questions and problems, but that ratepayers will be inclined to donate money to intervenors with proven records of success in representing the public.

UCAN believes the upcoming 1988 SDG&E General Rate Case proceeding will be the public's only chance until 1991 to scrutinize the management and operations of SDG&E. The major rate case is extremely complex and may take up to ten months of hearings. According to UCAN's Executive Director Michael Shames, the outcome of the hearing may mean a difference of hundreds of dollars per year for the average residential ratepayer, and thousands to hundreds of thousands of dollars to small business owners.

The last SDG&E General Rate case was conducted in 1985, when the utility requested an annual revenue increase of \$120 million, but later reduced its request to \$72 million. UCAN fought the increase by analyzing company data, cross-examining SDG&E witnesses, and by bringing its own experts to the hearings. UCAN testified that rates should be lowered by over \$100 million. In the end, the PUC ordered a \$123 million decrease in rates.

In the current proceeding, SDG&E has opened the proceeding by asking for a \$5 million rate decrease. UCAN believes a much greater decrease is warranted, and recently joined with a coalition of businesses (San Diego Energy Alliance) to commission a study of why SDG&E rates are the highest in the state and among the highest in the nation (see CRLR Vol. 7, No. 4 (Fall 1987) p. 28 for details).

The consulting firms were not able to gain access to SDG&E records until 1988, so they spent six months during 1987 comparing SDG&E costs to those of other utilities around the state and nation. Without being able to use company records, the consultants estimated that rates should be lowered in 1988 by at least \$100 million. As a result of the UCAN/Energy Alliance "white paper" on SDG&E, a PUC administrative law judge recently ordered the company to present a full justification of its costs during the General Rate Case.

In December, the PUC ordered SDG&E to cut its electric rates by \$141.2 million (10.2%) because of savings in the cost of fuel. This type of proceeding is known as an ECAC, or "Energy Cost Adjustment Clause" case, which periodically examines energy costs and inflation in an attempt to make appropriate adjustments to the utility's income and the customers' rates. UCAN was a party in the ECAC proceeding, which will result in a 5% decrease in the cost of electricity for the average residential customer. Commercial and industrial customers received the best reduction and will pay approximately 15-19% less.

UCAN contended that the reduction should have been increased by an additional \$44 million, because the utility had overcollected that amount. UCAN charged that SDG&E lobbied the Commissioners heavily for a ruling which would allow it to keep the extra \$44 million in reserve—essentially as an interest-free loan from ratepayers—so that it can improve its image by asking for that reduction in 1988.

UCAN was angered by the PUC's December 22 decision to levy a \$4.80-per-month service charge on residential customers' bills whether any energy is used or not. SDG&E argued for the fee to cover its administrative and fixed costs. The Commission said the fee would not increase the average bill because it was included as part of the overall reduction. But UCAN said that about 20% of ratepayers who use only small amounts of energy would probably experience an increase as a result of the fee.