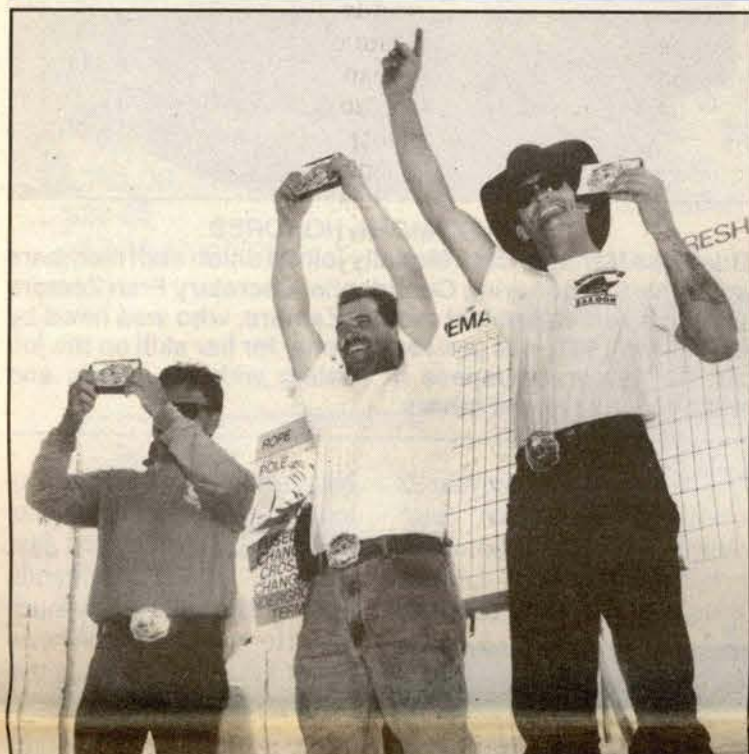


# 1245

International Brotherhood  
Of Electrical Workers  
Local 1245, AFL-CIO  
July 1994  
Vol. XLIII No. 7

# UTILITY REPORTER

Retail Wheeling:  
Special Report on Page 5



## SMUD crew nabs top honors in 'Rodeo' competition

**T**he Sacramento Municipal Utility District crew of Jim Baird, Greg Smelser and Jim Clamp (pictured above) took first place among all teams in the Lineman's Rodeo held June 11 in Livermore, Ca.

Finishing second was the SMUD crew of Mark Bryant, Gary Eickmann, and Ted Warner. Placing third were SMUD linemen Max Fuentes, Gerald Mankins, and Jerry Tittle.

Finishing first among PG&E Division teams was

the Kern crew consisting of Curtis Doty, Dan Ramirez and Mike Swanson. The top finisher among PG&E Distribution Construction crews was the team of Eric Dau, Paul Devine and Bob Sholler.

First place in the Backhoe, Line Truck and Commercial Driving competition went to, respectively, Don Ruse, Ray Horlacher and Terry Lawson, all of PG&E.

Photo coverage of the competition and all the winners will appear in next month's Utility Reporter.

## Unions call for inquiry into economic impacts of retail wheeling plan

**R**etail wheeling of electricity should not be introduced into California until there is a factual inquiry into possible adverse economic effects, the California Coalition of Utility Employees declared in testimony last month to the California Public Utilities Commission.

The Coalition questioned the CPUC's assumption that retail wheeling would

reduce electric rates, and also challenged the CPUC position that retail wheeling would enhance economic growth in the state. Only a careful factual inquiry can resolve these questions, the Coalition argued.

The Coalition's testimony was presented at hearings on June 14-15 in Los Angeles and July 1 in Sacramento by attorney Mark Joseph of Adams and Broadwell, and consultant David Marcus. The Coalition consists of IBEW Locals 1245, 18, 47, 465, and 659, and Utility Workers Local 246.

In addition to a factual inquiry into economic effects, the Coalition called upon the CPUC to prepare an Environmental Impact Report in

accordance with state law. The Coalition also noted its belief that the CPUC cannot implement its retail wheeling proposals until the Legislature repeals or amends a number of state laws concerning utility regulation.

The CPUC originally introduced its proposal for retail wheeling on April 20. At that time the CPUC said it wanted to begin implementing its plan in August.

However, after a number of state legislators registered strong objections to this timetable, CPUC President Daniel Fessler said the Commission probably would not formalize its proposal until October.

The CPUC proposal would attempt to create competitive markets in retail sales of electricity by permitting independent generators to sell directly to consumers. Federal law currently permits independent generators to sell power wholesale to utilities, but does not authorize independent generators to make retail sales to individual end-users.

However, federal law does permit states to authorize such sales.

**Retail Wheeling:  
Power for Who?  
See page 5.**



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## CALENDAR

August 5  
East Bay Pin Dinner  
for 1993 & 1994  
Oakland, Ca.

September 5  
Labor Day

October 10  
Last Day to Register  
If You Want to Vote in  
November Elections  
in California

November 8  
Election Day



### THANKS!

Local 1245 honored three former business reps at an Appreciation Dinner in Sacramento on June 3. Receiving well-deserved accolades were (from left) Ed Fortier, Rich Hafner, and Gene Wallace. (More photos on page 4.)





# UTILITY REPORTER

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WIPA



## Workers here and abroad

# Rolling the union on...

**Insider's Rate:** Recently retired Federal Reserve governor Wayne Angell parlayed his insider knowl-

edge of the Fed's operations into a \$100 per minute consulting service to fund managers, according to The Nation.

## Christine Niemiec

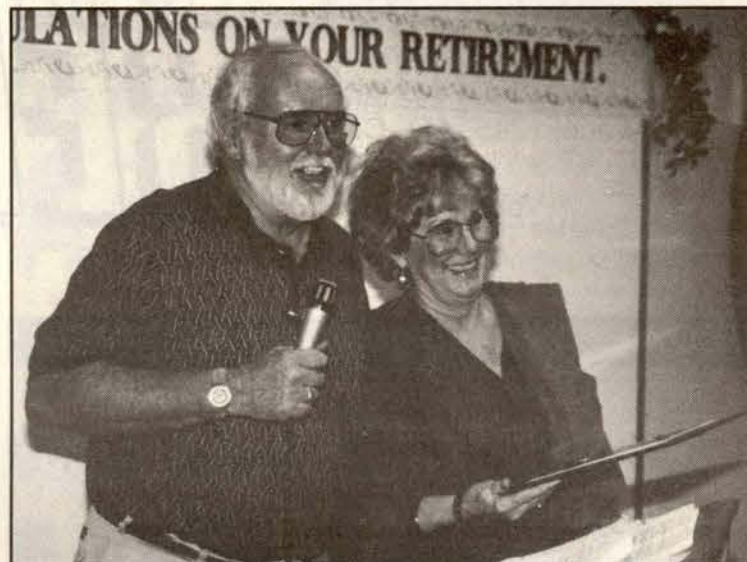
Members of Local 1245 at Citizens Utilities mourn the passing of union sister Christine Niemiec.

Niemiec, who died June 21, was a shop steward for 11 years, served on the Labor-Management Committee at the Redding office, and served on the last three rounds of negotiations.

"Christine will be missed. She worked hard to represent her area and was always willing to help wherever needed," said Business Rep. Mickey Harrington.

**Child Fatalities:** More than 40% of occupational deaths of youths occur when the child is doing work prohibited by law, a government study says. Some 670 youths aged 16 and 17 died on their jobs during the 1980s.

**Definitely Bad:** A doctor in Rochester, NY won in the "Unbelievably Bad" category in a National Boss Contest sponsored by 9 to 5, the National Association of Working Women. The doctor demanded that his nurse return to work immediately, even though she had just found her children's baby sitter dead on the couch.



## FRAN ZAMORA HONORED

Business Manager Jack McNally joined union staff members and others in honoring Confidential Secretary Fran Zamora upon her retirement last month. Zamora, who was hired by McNally in 1981, was praised not only for her skill on the job but for her graciousness in dealing with the public and willingness to assist others.

**Murdered:** Last year 92 trade unionists were murdered in at least 14 countries, according to Free Labour World. They include

Nicomedes Gutierrez of Colombia, a worker who was found dead in January, just when his union's demands were being put to the authorities. He was the 50th member of his union to die in the last five years.

**Unreasonable Detention:** The California Supreme Court recently ruled that an employer can be sued for false imprisonment when it unreasonably detains a worker during an internal investigation. The court held that false imprisonment is not a reasonable part of employment.

**UFW Contract:** The United Farm Workers won a contract with David Freedman Company that will cover 300 vineyard workers when the harvest peaks. It is the first contract that California table grape workers have achieved in the decade since former Gov. George Deukmejian handed the state Agricultural Labor Relations Board over to agri-business appointees.

**No Work:** About 30% of the world's labor force is unemployed or underemployed according to the International Labor Organization. Unemployment is forecast to reach 8.6% in industrialized nations by the end of 1994, the highest level since the Depression of the 1930s.

## APPOINTMENTS

### PACIFIC GAS AND ELECTRIC COMPANY

#### Bilingual Telephone Centers Committee

Carmen Chambers  
Susan Gaw  
Art Garza  
Chris Habecker

#### PG&E Service Department Committee

Bryant Bolen  
Robert Quinn

#### PG&E Barehand Work Procedures Committee

Ray Rademacher  
Rodney Dyer

### CITY OF GRIDLEY

#### City of Gridley 1994 Negotiating Committee

Gary Andes  
Tim Hill  
Maria Hunzeker

### CITY OF WILLITS

#### City of Willits Negotiating Committee

Jerry Campbell  
J. C. England

### OUTSIDE LINE CONSTRUCTION

#### Outside Line Underground Negotiating Committee

Ed Brockman

### CENTRAL LABOR COUNCILS

#### Alameda County Central Labor Council

Jane Brunner

#### San Francisco Labor Council

Frank Saxsenmeier  
David Walters

#### Kern, Inyo, Mono Counties Central Labor Council

Ron Van Dyke

#### Stanislaus/Tuolumne Counties Central Labor Council

Terry Melrose

### CONFERENCES AND CONVENTIONS

#### Nevada State AFL-CIO Convention

John Stralla  
Kathy Tindall  
Bob Vieira  
Art Murray

#### Joint Executive Conference of Northern California Electrical Workers

Jack McNally  
Art Murray

#### Rocky Mountain Labor School

Rita Weisshaar  
Dale Huntsman

#### 20th Convention of the California Labor Federation

Jack McNally  
Howard Stiefer  
Jim McCauley  
Mike Davis  
Ron Blakemore  
Eric Wolfe  
Mickey Harrington

#### 13th Annual Western Summer Institute for Union Women

Elaine Vargas  
Constance Bibbs  
Debbie Mazzanti  
Phyllis Hayes

#### A. Philip Randolph Institute 25th Annual National Education Conference

Lula Washington



## Portability of seniority is key issue in bargaining with Asplundh Tree

**P**ortability of seniority is a key issue in current negotiations between Local 1245 and Asplundh Tree Expert Co.

Under current conditions, union tree trimmers are the big losers when union contractors displace one another on PG&E tree trimming contracts. The in-coming contractor can hire the experienced union workers formerly employed by the outgoing contractor, but is not required to honor their seniority and associated benefits.

Knowing in advance that its labor costs will be lower, the in-coming contractor can submit lower bids and displace incumbent contractors.

"We object to union contractors attempting to improve their competitive position by eliminating benefits," said Local 1245 Business



Union tree trimmers for Asplundh Tree in Sonora gathered recently for a display of unity.

Manager Jack McNally. "It directly undermines the employees' ability to negotiate fair compensation for their labor."

McNally called the problem an "extremely destabilizing" element in the industry, and said that portability

of seniority was the solution.

Currently there is no provision in any of the existing contracts between Local 1245 and tree trimming contractors that allows union members to transfer their seniority. The one exception occurred when Davey Tree assumed trimming responsibilities in North Valley Region after the successful strike against Asplundh in 1992.

The union proposed portability of seniority to all three union contractors in late 1993 prior to the awarding of the Mission Trails and Golden Gate Region line clearance tree trimming contracts. Davey Tree and Arbor Tree generally supported the concept.

Asplundh did not.



Local 1245 Business Manager Jack McNally (left) discusses negotiations with the Local 1245 bargaining committee for Asplundh Tree: David Ashlock, David Sanchez and Jeff Palm.



### ARBITRATION HEARING

Local 1245 members and staff presented evidence to Arbitrator Walter Kintz in May and during the first week of July in connection with Arbitration Case 201. The case concerns Title 206 activity undertaken by PG&E. Members presenting testimony for Local 1245 were Rich Young, Bryan Kerchenko, Steve Amaral, Henry Garcia, Mark Acuna, and Jim Dorman. Staff attorney Tom Dalzell is coordinating the union's presentation in the case. A final day of hearings was scheduled for July 11.

## CPUC blames others for its own decisions

Jack McNally, IBEW 1245 Business Manager

Over the last few months there has been a lot of comment about the issue of electric utility regulation.

Newspaper editorials, industry periodicals, and popular journals have all joined in, complaining about the high cost of electricity. They blame the easiest target: the regulated electric utilities that provide the service.

Even the California Public Utilities Commission, which sets the rates that utilities charge, points the finger of blame at the utilities. And now the CPUC says the only way to fix the situation is retail wheeling—throwing the utilities into a competitive market.

The implication is that utilities are bloated bureaucracies and that market forces will make them "lean and mean."

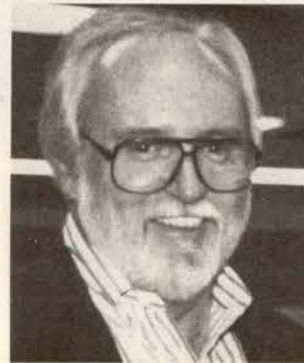
So why is it that no one was complaining about "bloated bureaucracies" 25 years ago? Utilities were regulated by the CPUC back then, just like today.

The answer, of course, is rates. Nobody complained because electricity prices were cheap.

Well, rates didn't go up because utilities suddenly became inefficient. They went up because of larger economic forces.

Two OPEC oil embargoes in the 1970s sent electric prices shooting up because utilities used oil for generating electricity. Utilities accelerated the diversification into other fuel sources, including nuclear.

For a variety of reasons—rapid inflation in the 1970s being one—nuclear turned out to be an expensive option. Through the Attorney General's office, the



CPUC negotiated a settlement with PG&E to tie Diablo Canyon's rates to performance. Now the CPUC is looking at proposals to reduce PG&E's revenues from Diablo Canyon.

What's amazing in all this is the CPUC's failure to take responsibility for its own decisions. The Commissioners want others to shoulder the blame for actions the CPUC itself has taken.

The CPUC's proposals for retail wheeling and performance-based ratemaking take things one step further. Rather than focusing on the long-term reliability and safety of electric service, the CPUC is simply reacting to all the various parties screaming for lower rates.

One possible outcome is that the big industrial users will get the rate breaks they're demanding, but the price will be higher rates for residential and small commercial consumers—and less reliable service for everyone.

If that day comes, no doubt the CPUC will again be looking around for a scapegoat. But if they've succeeded in destroying our regulated utilities, the commissioners are going to have trouble finding anybody to blame—except themselves.





IN DAYS OF YORE

Serving on the 1980 General Construction subcommittee are (standing right) Gene Wallace and (seated right) Ed Fortier.

## Union reps have to fill many roles, Wallace says

If you're going to be a union business rep, you'd better be prepared for anything, because that's what you'll probably encounter.

At least that was the experience of Gene Wallace, who stepped down in January after serving as a Local 1245 business rep for 14 years.

"Priest, lawyer, guidance counselor, marriage counselor—you have to be all those things and that's the truth," Wallace said.

Virtually all of Wallace's work at Local 1245 was on behalf of members employed in PG&E General Construction. Wallace takes pride in the fact that during his 14 years, the union was able to make substantial im-

provements in benefits, expenses and working conditions for GC members.

Securing those gains began at the bargaining table, but often they had to be defended through the grievance procedure.

"We averaged probably 120-150 grievances a year," Wallace recalled. "And we had an excellent joint grievance committee—probably the most successful at PG&E system-wide."

Wallace, who hired on at PG&E in 1965, has a slightly looser schedule in mind for his retirement, which he plans to enjoy with his wife Karlene and a Boston bull terrier named Mike.

"We're just going to travel and fish," he said.

## Ed Fortier steps down after 23 years as a Local 1245 rep

Ed Fortier doesn't just go back. He goes way back.

When Fortier retired this spring he had completed just over 23 years of service on the Local 1245 staff. That service included stints representing members in Humboldt, Drum and Colgate Divisions, as well as the Bureau of Reclamation. Among his other accomplishments was organizing City of Roseville employees.

Fortier ranks the 1992 strike against Asplundh

Tree as a major highlight of his time with the union.

"The success of the Asplundh strike ranks real high—and the organizing on Arbor Tree," said Fortier. "It was a good feeling being able to do something for people that essentially had nothing."

Fortier, who hired on at PG&E in 1960, credits Orv Owen with inspiring his interest in the union. But the family gene structure probably deserves some credit, too. Fortier's father belonged to the Postal Workers union, his grandfather was a union steamfitter and his grandmother was a member of the Garment

Workers union.

Fortier said the business representative job had changed a lot during his time at Local 1245.

"It's totally absorbing. It doesn't leave much time for anything else if you're going to do it right," he observed.

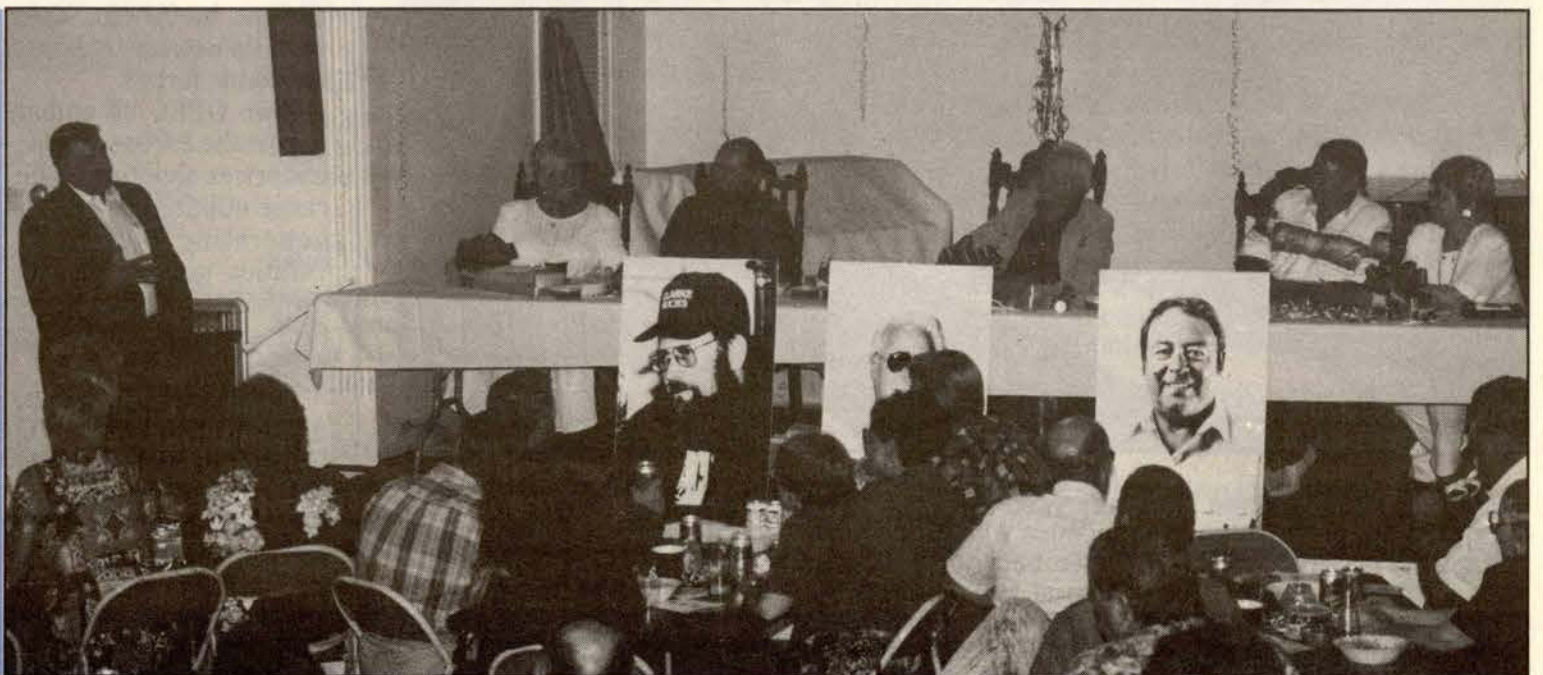
Now that he finally has some time on his hands, Fortier said he intends to travel. But a part of him will remain behind with Local 1245.

"I'll miss the friendships and the people I met on the staff. There's a comradery that can't be replaced."

The young fellow on the left is Ed Fortier, standing with Hank Lucas (middle) and L. L. Mitchell in 1975.



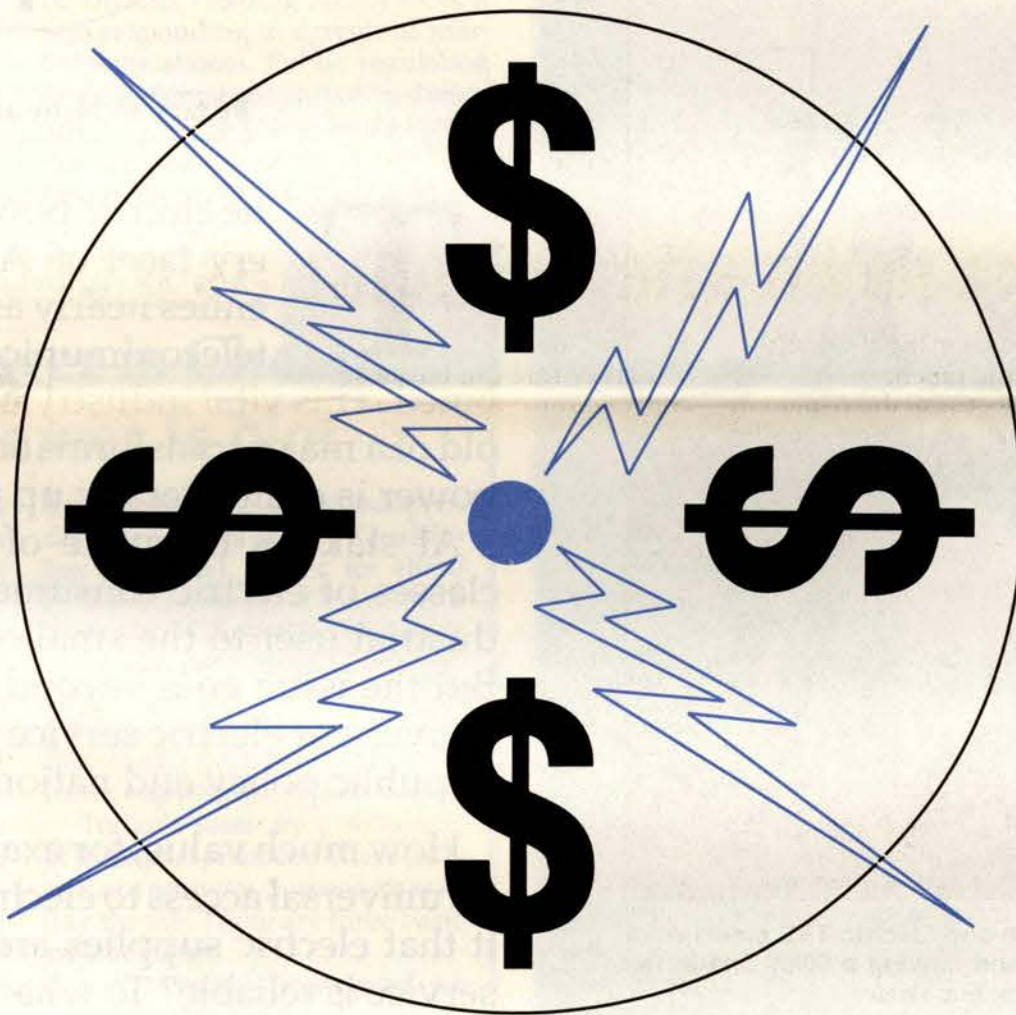
Business Rep. Bob Choate (on the left) spins some yarns about the service of former Business Reps. Ed Fortier, Rich Hafner and Gene Wallace.





# Power for Who?

Corporate Profits, the Public Interest,  
& the Retail Wheeling of Electricity

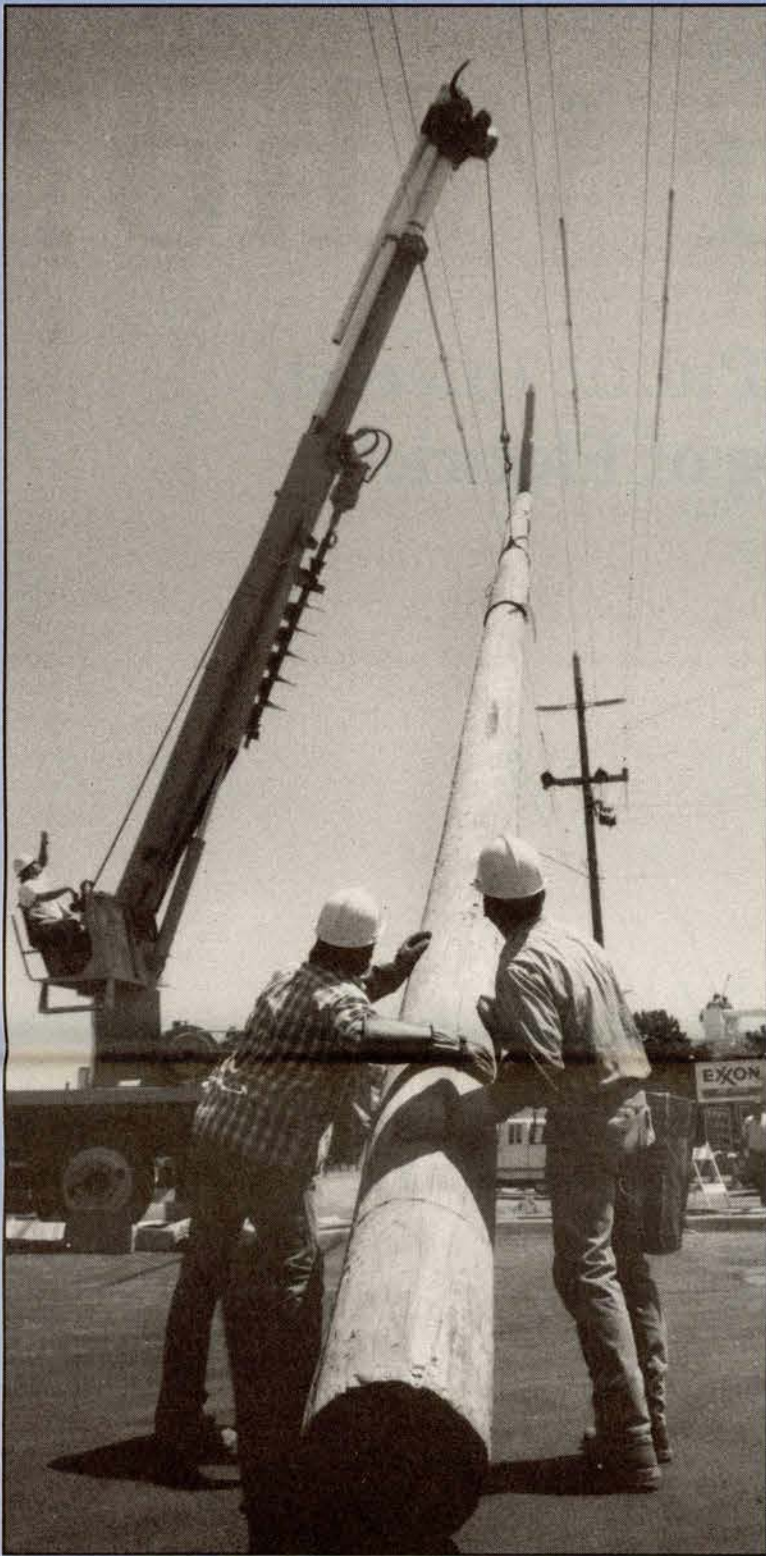


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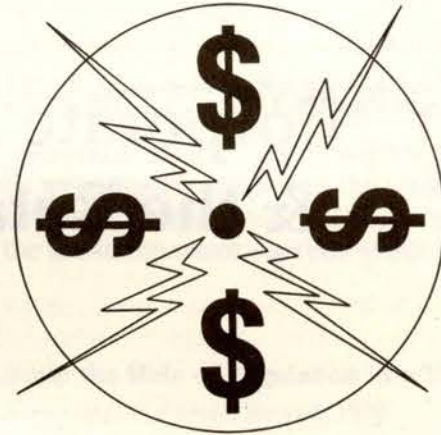


Combined PG&E transmission and Electric T&D crews work together on installing poles and moving a 60KV line in the Monterey area last year. (Photo: Eric Wolfe)

**How important is it that electric supplies are adequate, that electric service is reliable? To what extent are we prepared to trade away public safety for lower rates?**

# Power for Who?

**Corporate Profits, the Public Interest, & the Retail Wheeling of Electricity**



By Jack McNally and Eric Wolfe

**T**he electric power industry touches every facet of American life, with revenues nearly as large as the airline and telecommunications industries combined. This vital industry now stands at the threshold of a major transformation. The future of electric power is quite literally up for grabs.

At stake is the price of electric service for all classes of electric consumers, from the largest industrial user to the smallest residential ratepayer. But the issue goes beyond divvying up costs. The delivery of electric service poses deeper questions of public policy and national values.

How much value, for example, do Americans put on universal access to electricity? How important is it that electric supplies are adequate, that electric service is reliable? To what extent are we prepared to trade away public safety for lower rates?

Intertwined with these questions are still others:

How will our decisions on utility restructuring affect the workforce responsible for delivering electric service? How will our decisions affect the economy, the natural environment, the development of new energy technologies for the future?

In Part 4 of this series on utility deregulation, the Utility Reporter goes beyond the rate debate and examines the implications of electric utility restructuring on the American people as a whole.



## 1. The CPUC Proposes to Establish Competitive Retail Markets in Electricity.

On April 20, the California Public Utilities Commission (CPUC) declared its intention to create a "competitive market" for electricity in California.

In this market, individual consumers would gain "direct access" to electric power generated by independent, unregulated producers. Traditional utilities like Pacific Gas and Electric would be required to provide the transmission and distribution facilities needed for these retail electric sales, a function known as "retail wheeling."

The CPUC proposal follows on the heels of the 1992 National Energy Policy Act, in which Congress authorized *wholesale* marketing of electricity. The Act permits individual states to go further and authorize retail markets.

The CPUC's proposal is by far the most radical put forward by any state. It rests on three loosely-formulated premises.

One premise is that competitive markets will be more efficient than public regulatory agencies in allocating electric supplies. A second premise is that competitive markets will put downward pressure on rates. A third premise is that lower rates will spur economic development.

All three premises are appealing. And all three are false.

## 2. The CPUC says competitive markets in electricity will be more efficient than regulation.

Inefficient bureaucracy is one of the ills the CPUC hopes to remedy.

The current regulatory structure, the CPUC laments, "is composed of numerous, costly and administratively burdensome proceedings." The CPUC claims that a competitive market based on direct access "promises to steer the utilities and other nonutility service providers away from the [CPUC] hearing room" and toward more productive, service-oriented activity.

Sounds terrific. Most people would be delighted if direct access meant less bureaucracy. But it doesn't.

The problem lies in the nature of electric service. In many respects it is a natural monopoly. This simply means that one business operating without competition can provide a

service more efficiently than several competing firms.

Even the CPUC recognizes that competition in *transmission* and *distribution* would simply encourage wasteful duplication of facilities. Accordingly, the CPUC proposal would not disturb the current monopoly status of transmission and distribution.

However, the CPUC proposes to take this monopoly arrangement and graft onto it a competitive retail market in electric *supply*. Regulated utilities would compete directly with independent generators for individual customers.

As one wit observed, the CPUC might just as well sew an alligator to a cow. It's going to be a long, difficult and costly procedure.

The problem lies in the nature of competition. For competition to work, it has to be fair. The playing field has to be level.

## 3. To create and sustain a level playing field for competition in electric supply, the regulatory burden would inevitably grow, not shrink.

Independent generators and utilities alike have reason to worry that the competition proposed by the CPUC will not be fair.

Independent generators worry that utilities would try to charge them too much for transmission services, making it impossible for independents to offer competitive prices.

Utilities have their own reasons for worrying that the terms of the competition will put them at a disadvantage. Utilities, after all, would face a very different set of responsibilities than independent generators.

For example, utilities would still be responsible for maintaining overall system reliability. This means

See NEXT PAGE

**The CPUC's proposal rests on three premises: that competitive markets will be more efficient than public regulatory agencies in allocating electric supplies; that competitive markets will put downward pressure on rates; and that lower rates will spur economic development.**

**All three premises are appealing. And all three are false.**

### Utility Deregulation

**Who Gains**  
**Who Loses**  
**Who Decides**

Part 4 in a Series





No doubt all of this can be attempted. But to suggest that this pseudo-market will somehow reduce regulatory intervention is just plain nonsense. Retail wheeling would not reduce the "regulatory burden." It would add to it.

#### 4. The CPUC claims markets will promote economic development. But markets could in fact hurt economic development by exposing electric suppliers to boom and bust business cycles.

The idea that retail wheeling will promote economic development is especially attractive in recession-weary California. The concept is simple. Lower prices for electricity will attract new businesses to the state and will allow current businesses to expand.

Obviously businesses prefer cheap electric service. But far more importantly, businesses need *reliable* electric service. Retail wheeling threatens reliability by subjecting electric supplies to business cycles.

Business cycles are no big mystery. They are a basic feature of competitive markets. When prices are high, new suppliers enter the market. As supplies increase, prices go down—forcing some suppliers out of the market. Supplies then begin to shrink, causing prices to swing back up.

With some commodities, new supplies can quickly be brought to market, minimizing wild swings in availability and price. But electricity is not such a commodity. Creating new electric supply typically requires a sizeable investment and a long lead time.

While waiting for supply to catch up to demand, consumers will face higher rates, possibly even brown-outs.

Unpredictable rates and uncertain supply do not contribute to an attractive business climate. Just the opposite is the case.

#### 5. The CPUC proposal is driven by political pressure from large corporate consumers.

The premise at the heart of the CPUC proposal doesn't concern administrative efficiency or economic development. This central premise is that a competitive retail market will drive rates down.

Will it? It all depends on whose rates we're talking about.

#### From PAGE SEVEN

utilities would still have to maintain standby generating facilities to regulate voltage and to meet peak loads. Although essential to reliability of the overall system, such standby facilities are uneconomical compared to an independent producer's generating facilities, which can be run at full capacity most of the time.

In addition, under the CPUC proposal, utilities would be required to provide "return rights" to consumers who return to the utility when independent providers go belly-up or prove unsatisfactory. This means having to maintain uneconomical excess capacity, regardless of whether it ever gets used.

Furthermore, utilities would face the on-going expense and uncertainties associated with maintaining complex distribution systems. In all likelihood utilities would also continue to be required to meet the power needs of low-income users, and to meet other "social welfare" goals established by the CPUC or the state legislature.

All of these factors work against fairness in competition. Disputes would be inevitable and could easily grow to mind-boggling dimensions. The CPUC, other state public utility commissions, and probably the Federal Energy Regulatory Commission (FERC) would be called upon to settle such disputes and to come up with complex regulatory mechanisms working continuously to keep the playing field level.

These activities would increase the potential for jurisdictional disputes between state and federal regulators. Such bureaucratic conflicts would add yet new layers of administrative waste.

The CPUC has been under tremendous pressure, especially from large industrial and agricultural users. These powerful corporate interests exercise enormous political clout through trade associations like the California Manufacturer's Association, the California Large Energy Consumers Association, and the Agricultural Energy Consumers Association.

Not surprisingly, the CPUC proposal places these users at the head of the line for favored treatment.



The CPUC has been under tremendous pressure from all ratepayer classes.

This pressure is especially intense from large industrial and agricultural users. These powerful corporate interests exercise enormous political clout through trade associations like the California Manufacturer's Association, the California Large Energy Consumers Association, and the Agricultural Energy Consumers Association.

Not surprisingly, the CPUC proposal places these users at the head of the line for favored treatment. The largest industrial users would be permitted to purchase power directly from independent generators beginning in 1996.

Residential users, on the other hand, are offered a seat at the back of the bus. Under the CPUC proposal, they would not be permitted to participate in the electricity market until the year 2002.

This arrangement assures that industrial users will have plenty of time to lock in the cheapest sources of power. By the time residential customers enter the market—if in fact it is possible for them to do so at all—only the most expensive sources will remain. (See box: *Purchasing Pools in Natural Gas.*)

However, as we've already discussed, business cycles in electric supply would introduce price instability throughout the electric market. Under these conditions, short-term price advantages could be swamped by larger market forces unleashed by retail wheeling.

#### 6. The CPUC commissioners have permitted their "free market" ideology to get in the way of the facts.

Political pressure from large users is the most obvious factor in the

CPUC's aggressive push for retail wheeling. But there is another factor at work: ideology. The CPUC has bought into the rhetoric of deregulation.

In this narrow view of the world, government is the root of all evil, while competitive markets are the solution to all problems. The CPUC proposal refers derisively to "command and control" regulation and "government central planning."

You would think by this Cold War-type rhetoric that the CPUC was preparing to lead an attack on the politburo of the old Soviet Union. But that rhetoric serves a purpose: it draws attention away from the real object of the CPUC attack—the CPUC's own constitutional responsibility to protect the public interest.

The problem with ideology is that it can get in the way of the facts. The commissioners' ideology tells them that competition is good. Experience, however, suggests that planning sometimes produces the most efficient result, and that competition sometimes leads to harmful outcomes.

#### 7. Problems with the free market is what led to the public regulation of utilities in the first place.

In the case of electric supply, the importance of central planning is well established.

In the early part of this century, electric utilities engaged in cut-throat competition, with several harmful consequences. Many communities went without electric service because utilities decided there was not enough profit in serving them.

However, utilities competed fiercely in more profitable markets, and the pressure to cut costs led to depressed wages for utility work-

See NEXT PAGE

### Purchasing Pools in Natural Gas: an Experiment that Failed

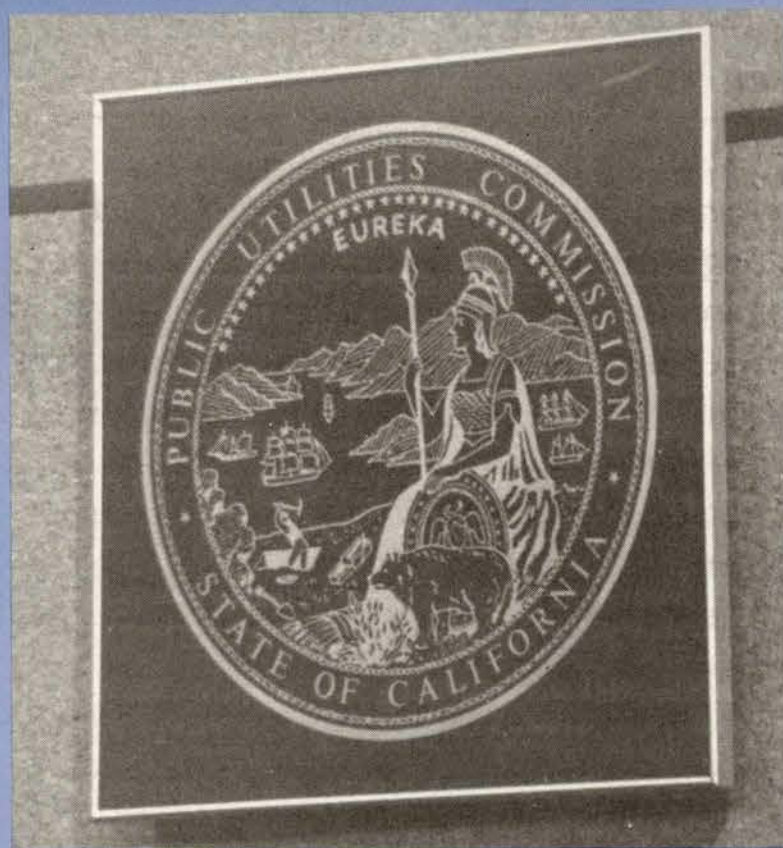
Unlike a big industrial consumer, an individual residential ratepayer would have no effective leverage for bargaining with electric suppliers. Small ratepayers would have to be organized into purchasing pools where their load could be aggregated.

In theory, aggregation would give small ratepayers more clout. But turning theory into reality could prove impossible, judging by recent efforts by the CPUC to

aggregate small gas consumers. Few residential customers have participated, according to testimony presented to the CPUC by the consumer group Toward Utility Rate Normalization.

Furthermore, of the ten "aggregators" who initially sought to participate in the program, only three remain—and two of those are reevaluating their continued participation in the program, according to TURN.

**The commissioners' ideology tells them that competition is good. Experience, however, suggests that planning sometimes produces the most efficient result, and that competition sometimes leads to harmful outcomes.**





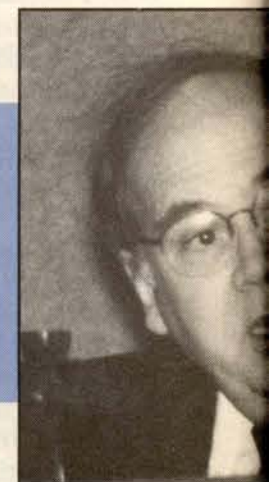
## The California Public



Gregory Conlon



Patricia Eckert



President Da

**The regulatory structure that has assured the public interest since the 1930s is now in danger of being threatened, perhaps even hostile, to the public interest. The service on behalf of the public to regulating utilities is in jeopardy.**

**By 1935 the country had had enough of competitive markets for electricity. That year Congress passed the Public Utilities Holding Company Act, which made it possible for states to exert more effective regulatory control over utilities.**

**This was the beginning of the "regulatory compact." This arrangement produced an extraordinarily reliable electric system envied by countries around the world.**

### *From PAGE NINE*

ers. Smaller utilities went bankrupt or were absorbed by larger utilities or utility holding companies.

By 1935 the country had had enough of competitive markets for electricity. That was the year Congress passed the Public Utilities Holding Company Act, which chopped the holding companies down to size and made it possible for states to exert more effective regulatory control.

This was the beginning of the "regulatory compact." Utilities were granted monopoly franchises to serve specific cities or regions. In exchange, the utilities submitted to public regulation of service quality and rates.

This arrangement produced an extraordinarily reliable electric system envied by countries around the world. As a monopoly franchise, utilities were entrusted with the responsibility of forecasting demand and providing capacity to meet that demand.

**8. Sensible planning and mutual cooperation between utilities have assured adequate electric supplies and a high degree of reliability. Competition would undermine cooperative relations and endanger stability.**

Regulation worked. Utilities made mistakes along the way, but by and

large they planned well for our electric needs.

Over the years, utilities have developed cooperative relationships with one another that have facilitated planning for the benefit of all customers. Utilities have shared results of research and development, engaged in joint construction, and provided emergency backup for each other.

Most notably, utilities have cooperated to form large power pools through the development of high voltage transmission grids. Power pools have enabled utilities to achieve high levels of system reliability. Power pooling has also reduced the level of reserve power needed by individual utilities, thus reducing the need to spend money on new generating capacity.

In the competitive market envisioned by the CPUC, planning would be infinitely more complicated.

From one year to the next, a utility would not know which customers were switching to independent producers. Nor would the utility know which former customers were returning to its system. Nonetheless, the CPUC proposal would require the utility to serve these returning customers.

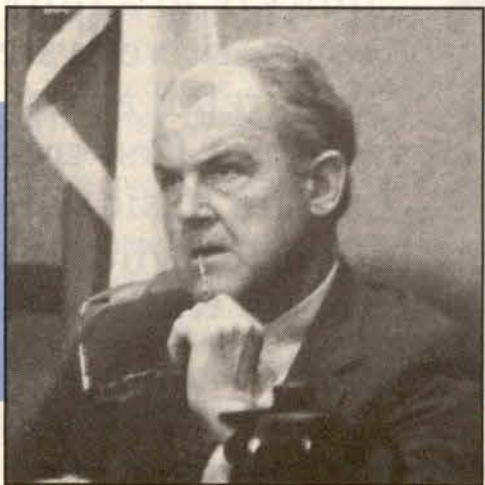
Wide variations in a utility's load would create two potential problems, both of them serious. The utility might acquire too much capacity, thus wasting money. Or the utility might be caught with too little capacity, leading to reliability problems.



# Utilities Commission



Daniel Fessler



Commissioner Norman Shumway



Commissioner Jessie Knight Jr.

the public's access to safe and reliable power transformed into a structure that is indifferent, its focus could easily change from regulating competition on behalf of big business.

Furthermore, retail wheeling would damage relations between electric utilities, pitting utilities against each other in a battle for customers. The demands of competition would make cooperative relations difficult to sustain, and the broad social benefits of those cooperative relations would be lost.

As MIT Professor of Economics and noted utility expert Paul Joskow observed in his 1983 book *Markets for Power*:

"Power pools involving noncompeting firms do sometimes break down under current conditions; making the members active rivals can only increase instability."

**9. Participants in the electricity market would try to assure stability through private contracts. Those contracts would be unlikely to provide traditional levels of stability, while needlessly creating new layers of bureaucracy and expense within electric service companies.**

Those who support retail wheeling claim that private contracts between producers, utilities, brokers and customers would provide the stability that is currently assured by public regulation.

But this "market solution" has its

own built-in costs. Shopping for power, negotiating contracts, coordinating multiple contracts, and policing compliance would create new layers of administrative expense for market participants.

In the current system, stability is provided by keeping many functions under one roof. A single, "vertically-integrated" utility coordinates production, transmission and distribution, as well as a variety of other services.

The CPUC assumes that market coordination would be more efficient. But this is not necessarily the case.

As contractual complexity increases, the cost of transactions between the various market players will go up, Joskow observed, and "it becomes more likely that internal control [by a utility] will prove superior to market contracting."

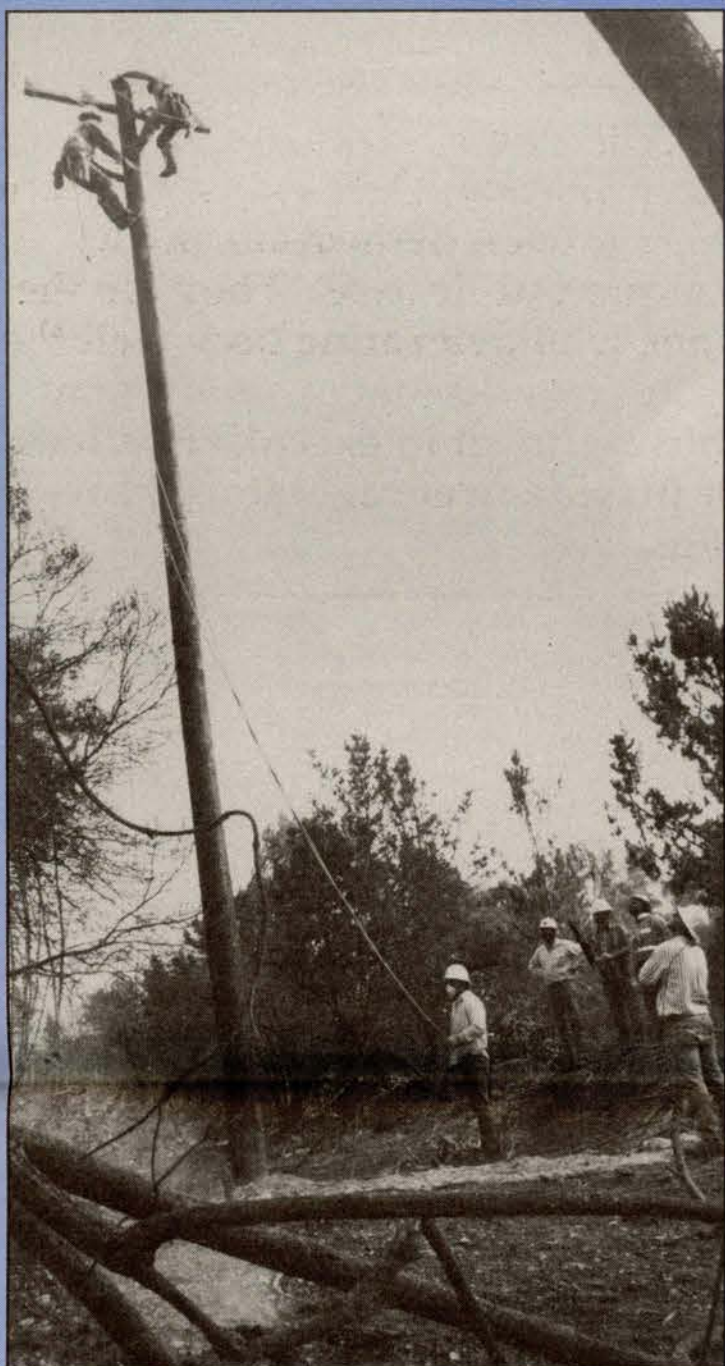
One reason electricity contracts will become complex is that each party will want to be damn sure that the other party delivers the goods. This points to another problem with contracts: they can be broken.

You would think the CPUC would show more concern about the serious nature of this problem. CPUC President Daniel Fessler himself drew attention to it in an article published last year in *The Electricity Journal*. If a contract turns out to seriously threaten "the ongoing vitality of either or both of the parties," Fessler wrote, then you "begin to entice doctrines of excusable non-compliance."

See **NEXT PAGE**

**One reason electricity contracts will become complex is that each party will want to be damn sure that the other party delivers the goods. This points to another problem with contracts: they can be broken. When the economic sledding gets rough, people are going to back out of their deals. High-priced lawyers are going to be lined up around the block waiting for a chance to help iron out these problems.**





With rubble still smoldering around them, PG&E crews work to repair electric lines damaged in the East Bay Fire of 1991. (Photo: Eric Wolfe)

**The commissioners are content to offer completely unsubstantiated assurances that their program can be implemented "without compromising either safety or reliability."**

**Perhaps this means the commissioners, during the next fire or earthquake, plan to come out and provide the necessary emergency services themselves.**



**"Several commentators have argued that we can move forward quickly to a fully competitive system with retail access without first creating certain basic wholesale market institutions, relying instead on...bilateral contracts to work out all the details. This is nonsense."**

*Paul Joskow, MIT*

#### *From PAGE ELEVEN*

That's an expert's way of saying that when the economic sledding gets rough, people are going to back out of their deals. High-priced lawyers are going to be lined up around the block waiting for a chance to help iron out these problems.

But this isn't just a money problem. In Fessler's view, it's a performance problem.

When you rely on contracts for your power, Fessler writes, "a decision to 'buy' is fraught with threats to reliability."

Depending on contracts to assure reliability is a problem also touched upon by Professor Joskow, who on July 1 offered lengthy public testimony on the CPUC proposal. While Joskow expressed cautious support for the goal of creating a competitive market in electricity, he cautioned against plunging ahead with retail access until wholesale markets are fully operational.

"Several commentators have argued that we can move forward quickly to a fully competitive system with retail access without first creating certain basic wholesale market institutions, relying instead on the 'invisible hand' and associated bilateral contracts to work out all the details. This is nonsense," Joskow said.

#### **10. Retail wheeling will erode labor standards, further undermining service reliability and safety.**

Cooperative relations between utilities is one of the "public assets" put at risk by retail wheeling. But there is another public asset that retail wheeling would seriously undermine: utility workers.

When you get right down to it, jobs don't get done by competition, by contracts, by regulation—or by any other abstract concept. Jobs get done by *people*.

In the case of the electric utility industry, the job gets done by highly-skilled energy workers like those belonging to Local 1245.

Utility employees, by virtue of their training, their experience and their proven dedication, are a unique public asset. They are the ones who determine how well the system works—more surely than those who sit in executive offices or preside over regulatory hearings.

Incredibly, there is not a single word about utility workers in the CPUC's entire 58-page policy statement on utility restructuring. This helps explain why the CPUC's analysis of retail wheeling is so out of touch with reality.

Here's what's real: competition will force utilities to cut costs wherever they can. That's the nature of competition. Retail wheeling, and the CPUC's companion proposal for "Performance-Based Ratemaking," will accelerate workforce reductions, and exert downward pressure on wages. (See box: *PBR—Performance-Based or Performance Debased?*)

Fewer people will be available to answer customer inquiries, to make service calls, to perform routine maintenance. And those employees will be under pressure to work faster and cut corners.

Boom and bust cycles will make layoffs a regular feature of the electric industry, breaking up experienced teams of workers, and making it more difficult to attract high-quality workers in the future.

At the same time, competitive pressures will make it harder for utilities to continue their high levels



of investment in safety and training. Competition demands that dollars be invested where they will bring the quickest return.

None of these factors are considered by the CPUC. Instead, the commissioners are content to offer completely unsubstantiated assurances that their program can be implemented "without compromising either safety or reliability."

Perhaps this means the commissioners, during the next fire or earthquake, plan to come out and provide the necessary emergency services themselves.

### 11. A competitive retail market in electric supply will retard the development of important new energy resources vital to our future.

Besides eroding labor standards, the pressure to get a quick return on investment poses another serious problem: it threatens to undo recent progress in energy efficiency and in the development of renewable energy resources.

As environmental problems mount, more restrictions will be placed on fossil fuels, thus increasing the cost of power generated from these sources. Efficiency and renewables, already competitive in many respects, will become even more so.

Regulatory mechanisms have been established in recent years to encourage energy efficiency and the development of renewables. Rather than waiting for a new energy crisis to hit, we have begun taking steps to head it off. The CPUC deserves a share of the credit for these forward-looking policies.

But a retail electricity market will leave little room for such investments. Competition will force utilities to choose the cheapest short-term alternative. A utility that invests in mid-term or long-term solutions will be inviting near-term bankruptcy.

### 12. Wholesale wheeling will permit utilities to acquire least-cost electricity for the benefit of all customers. Retail wheeling, by contrast, would permit the largest and most powerful customers to acquire these least-cost supplies strictly for their own benefit.

All of these concerns—reliability, safety, price stability, labor standards, renewable resources—lead us to a simple question: Is there some other way?

Can the widespread concern over high electric rates be addressed in a more prudent and deliberative manner?

The answer is yes. That more prudent alternative is to give wholesale markets a chance to work.

Lower-cost sources of electric power are now coming onto the market. The wholesale markets authorized by Congress in the 1992 National Energy Policy Act provide a way for that lower-cost power to be shared by all customers.

The mechanism by which those markets function is "wholesale wheeling."

The wholesale wheeling provision of the 1992 Act requires a utility

See *NEXT PAGE*

Utility employees, by virtue of their training, their experience and their proven dedication, are a unique public asset. They are the ones who determine how well the system works—more surely than those who sit in executive offices or preside over regulatory hearings.



Auxillary Operator Jim Atchley at PG&E's Humboldt Bay Power Plant in 1992. When an earthquake hit northern California earlier that year, employees didn't need to be called in for emergency service: they just showed up to do what was needed to contain the damage and keep the power running. (Photo: Eric Wolfe)

## PBR: Performance-Based Ratemaking, or Performance Debased Ratemaking?

In addition to its proposal for retail wheeling, the CPUC proposes to move from "Cost of Service Ratemaking" to "Performance Based Ratemaking."

PBR is designed to create incentives for regulated utilities to cut costs. Rates would be set according to certain market "benchmarks." Utilities could then enhance profits by cutting costs.

In theory, this would provide incentives to increase efficiency. But the more likely prospect is that it would provide incentives to reduce service quality, just as similar ratemaking schemes have

done in the telephone industry. (See "The Dark Side of Deregulation," Utility Reporter, February 1994.) PBR would also be an incentive for utilities to slash labor costs through layoffs, wage cuts, and the elimination of benefits.

Perhaps even more disturbingly, PBR would provide incentives for utilities to cut back on safety expenditures in order to funnel the money instead to stockholder profits. When dealing with utilities that operate nuclear plants, safety cutbacks pose troubling issues indeed.





Attorney Mark Joseph testifies before the CPUC on behalf of Local 1245 and the Coalition of California Utility Employees.

**Local 1245 has taken a position of firm opposition to retail wheeling. It is the union's view that retail electric competition would erode service, compromise safety, degrade labor standards, and permit private greed to replace public service as the supreme value of the electric utility industry.**

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to transmit (wheel) power between an independent generator and another utility, or between two other utilities.

For example, the Federal Energy Regulatory Commission could require the Sacramento Municipal Utility District to make its transmission system available (for a fee) for Sierra Pacific Power to wheel electricity to PG&E. Or FERC could require SMUD to provide transmission services to an independent producer wishing to sell power to another utility.

This wholesale market permits all utilities to "shop around" in order to acquire the least-cost electricity. (See box, next page: *Why Some Power Is Cheap, and Other Power Is Not.*)

Through wholesale wheeling, once it is fully in place, utilities will be able to acquire least-cost electricity for the benefit of all customers. Retail wheeling, by contrast, would permit the largest and most powerful customers to acquire these least-cost supplies strictly for their own benefit.

There are other advantages to wholesale wheeling. It would not undermine the utility's ability to forecast demand and plan strategies for meeting it. It would not have retail wheeling's corrosive effects on reliability, safety, and quality of service. And it would not shred the workforce on which that service ultimately depends.

But the corporate powers pushing for retail wheeling have none of these concerns. When they look into the future, they don't see their children or their children's children: they only see the next quarterly report.

**13. Wholesale wheeling, unfortunately, may encourage regulated utilities to shift assets into unregulated, non-union subsidiaries in search of higher profits.**

Wholesale wheeling, it should be noted, does pose certain problems for unionized utility employees.

The 1992 National Energy Policy Act creates a new class of energy producers exempt from state regulation: the Exempt Wholesale Generator (EWG). It is the clear intent of Congress to encourage new suppliers to enter the wholesale energy market.

This intent was first expressed in 1978, when Congress passed the

Public Utilities Regulatory Policies Act (PURPA). Congress took this action, in part, to encourage conservation and the development of renewable energy resources. PURPA required utilities to purchase power from certain classes of independent producers, dubbed Qualifying Facilities.

With EWGs, Congress is further expanding this effort to encourage the development of non-utility electric generators.

Some regulated utilities, PG&E among them, have moved into this unregulated sector in a big way. They are attracted by the prospect of unregulated profits and the prospect of developing a low-wage non-union workforce. If nothing else, an unregulated subsidiary gives a regulated utility something to fall back on if retail wheeling destroys the utility's regulated operations.

PG&E's unregulated subsidiary—a joint enterprise with Bechtel Corp. called US Generating—is constructing new generating plants at various locations around the country.

This helps explain PG&E's reluctance to vigorously oppose retail wheeling. PG&E is positioning itself to jump either way, and may even prefer to ultimately rid itself of its "regulatory compact" with the public it serves.

**14. The CPUC proposal foreshadows a national struggle over the future shape of the electric industry, and raises the possibility that private greed will replace public service as the industry's supreme value.**

The battle in California over retail wheeling foreshadows a struggle of national dimensions.

Local 1245 has taken a position of firm opposition to retail wheeling. It is the union's view that retail electric competition would erode service, compromise safety, degrade labor standards, and permit private greed to replace public service as the supreme value of the electric utility industry.

Offering up this absolutely essential service to unregulated private companies, to exploit as they see fit, borders on lunacy.

To counter this dangerous drift in public policy, Local 1245 recently joined with other utility unions in California to organize the Coalition of California Utility Employees (CUE). This Coalition and its legal counsel is attempting to halt the stampede toward retail wheeling,



and to encourage a more deliberative approach.

The Coalition has presented testimony on this issue to the CPUC and to committees of the California Assembly. Specifically, the Coalition has called on the CPUC to take three steps before proceeding with the implementation of its ill-conceived proposal:

First, conduct a factual inquiry to determine the extent of potential cost savings (if any) and the adverse economic effects of retail wheeling.

Second, prepare an Environmental Impact Report, in accordance with state law.

Third, delay implementation pending legislative action, which will control the extent to which the CPUC can implement its proposed policy.

### 15. Electric Industry Restructuring: Who Gains, Who Loses, Who Decides?

The battle over retail wheeling is far more than a fight over electric

rates in California. It is a battle over America's energy future, and who will control that future, and to what end.

Approval of retail wheeling in California would accelerate the demand for retail wheeling in the other 49 states. The regulatory structure that has assured the public's access to safe and reliable power since the 1930s could be transformed into a structure that is indifferent, perhaps even hostile, to the public interest. Its focus could easily change from regulating service on behalf of the public to regulating competition on behalf of big business.

We, the public, will continue to pay the costs of this regulation, but in substantial measure would be denied the benefits.

When Congress passed the Public Utilities Holding Act of 1935, it was responding to egregious marketplace abuses. Public regulation of electric service is part of the democratic legacy left to us by an earlier generation of Americans. That legacy has been entrusted to the

See *NEXT PAGE*

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## Why Some Power is Cheap ...and Other Power Is Not

From the end of World War II to the 1970s electricity was an incredible bargain. During this period, the price of electric service actually declined relative to the rest of the economy.

A combination of factors helped create this happy situation. An abundance of cheap oil kept fuel costs low. Larger power plants helped utilities achieve economies of scale, contributing to efficiency.

Effective public regulation helped insure that the benefits of these improvements were passed on to the consumers.

The 1970s drastically altered this situation. Two embargos drove up the price of oil, which in turn drove up the price of electric generation.

During this same period, many utilities were investing heavily in nuclear power. This turned out to be an enormously expensive road to travel. Environmental concerns, safety issues, design problems, and high interest rates sent nuclear projects way over budget.

In 1978, Congress enacted legislation to encourage the use of renewable fuels. The new law required utilities to purchase power

from certain classes of independent producers (called Qualifying Facilities). Prices for these purchases were set at the utility's "avoided cost"—that is, how much the utility saved by not having to build the generating capacity itself. Contracts entered into under this pricing formula tended to put further upward pressure on rates.

Today's rates are a reflection of these past practices. These costs will not go away. Someone has to pay the tab. There are three basic possibilities:

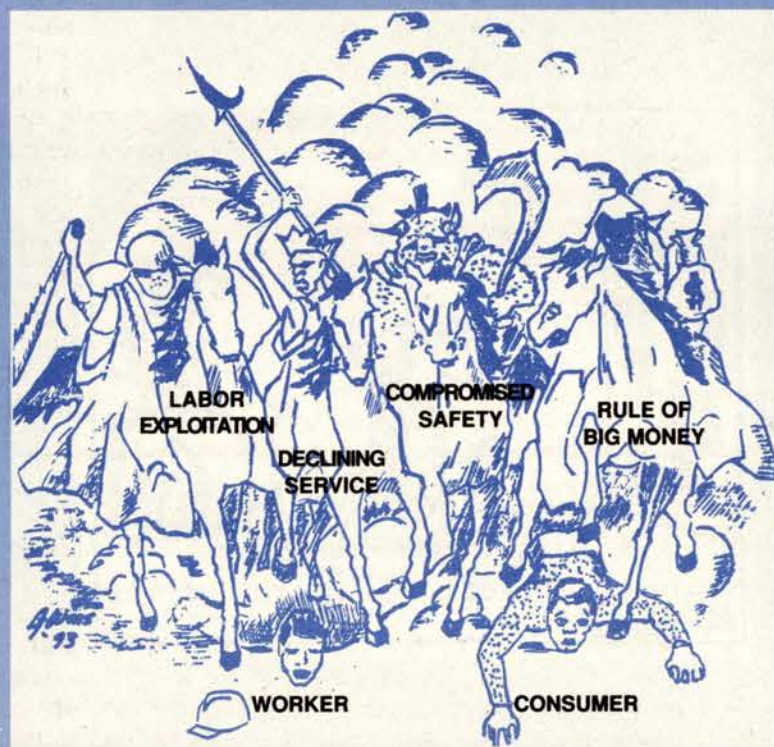
1. Profits can be reduced for utility stockholders.
2. Rates can be raised for utility consumers, or a portion of those consumers.
3. Utility expenses can be cut by reducing service.

In essence, big corporate users are attempting to sneak out the back door. They want to get immediate access to new low-cost sources of electricity and to leave somebody else holding the bag for previously-incurred costs.

And if the CPUC proposal is adopted, the big corporate users may get their way. Not because they are more deserving, but simply because they are more powerful.







Four Horsemen of Deregulation

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commissioners who now sit on the CPUC.

No one disputes that regulatory institutions must adapt to changing circumstances in the world. The question is, can we the people make those institutions serve the public

interest? Or will we allow them to be turned into mere footservants for large corporations?

These are the questions of public policy and national values that we face today. How we resolve them will tell us a lot about ourselves as a people.



## Reference Materials

In addition to personal interviews and newspaper stories, a variety of reference materials were used in preparing the Utility Reporter series on deregulation (appearing in the January, February, April and July issues). Some of the most important sources of information are listed below.

### Part 1

#### Public Empowerment: the Role of Regulation in a Democratic Society

California Railroad Commission Annual Report, 1920

Herbert Gutman (ed.): Who Built America? 1989

Harvey Wasserman: Harvey Wasserman's History of the United States, 1988

### Part 2

#### The Dark Side of Deregulation: How deregulation has affected workers and consumers in telecommunications and other industries

Dickens, Finegan and Associates, Gustavo Gonzaga main contributor: A Survey of the Effects of Recent Deregulation in the U.S., 1993

James Piepmeier, et al: Lessons from the Bell Breakup (Electricity Journal, July 1993)

Robert Reich: The Downside of Downsizing (San Francisco Examiner, Jan. 9, 1994)

Howard Rheingold: The Virtual Community, 1993

Herbert Schiller: Public Way or Private Road? (The Nation, July 12, 1993)

### Part 3

#### The Profit Pipeline: How big business is going to benefit from the deregulation of natural gas--and you're not.

Harry Broadman and Joseph Kalt: How Natural is Monopoly? The Case of Bypass in Natural Gas Distribution Markets (Yale Journal on Regulation, 1989)

Paul MacAvoy, et al.: Is Competitive Entry Free? Bypass and Partial Deregulation in Natural Gas Markets (Yale Journal on Regulation, 1989)

Richard Pierce, Jr.: Intrastate Natural Gas Regulation: An Alternative Perspective (Yale Journal on Regulation, 1992)

### Part 4

#### Power for Who: Corporate Profits, the Public Interest, and the Retail Wheeling of Electricity

California Public Utilities Commission: Order Instituting Rulemaking and Order Instituting Investigation (April 20, 1994)

Coalition of California Utility Employees: Comments Before the California Public Utilities Commission (June 8, 1994)

Armond Cohen and Steven Kihm: The Political Economy of Retail Wheeling, or How to Not Re-Fight the Last War (The Electricity Journal, April 1994)

Gregg Easterbrook: The Future of Electric Power (The Atlantic, July 1993)

Douglas Gegax and Kenneth Nowotny: Competition and the Electric Utility Industry: An Evaluation (Yale Journal on Regulation, 1993)

Paul Joskow and Richard Schmalensee: Markets for Power: An Analysis of Electrical Utility Deregulation (1983)

Glenda Thomson, IBEW Utility Department: A Perspective on Retail Wheeling (1994)

Jeffrey Watkiss and Douglas Smith: The Energy Policy Act of 1992--A Watershed for Competition in the Wholesale Power Market (Yale Journal on Regulation, 1993)



# Member sees noble purpose in union cause

By Orv Owen

It has been said that the sense of belongingness, love, and social acceptance that was the strength of the ancient workers' guilds grew out of the fact that they constituted a way of life. A man belonged, he had identity, he found a home in the hall. In the society of the guild the worker was a somebody.

Self-actualization is the spiritual need to fulfill one's potential. This need manifests itself in the words "dedication," "idealism," "loyalty." The member sees the union as a cause of noble purpose and he wants to leave the world better than when he found it. The member wants his union to make a contribution to humanity.

## Union a Leader

History and the record will show that our union, as a result of the dedication, idealism and loyalty of those who came before us—and those who continue the effort today—have made our union a

leader in providing service and benefits to our members, as well as support for all our citizens.

As one of the thousands who have participated in the glorious history of our union,

even though I am retired from the job, I still share the dedication, idealism and loyalty to our union with all Local 1245 retirees. We invite all our retired members to join a Local 1245 Retiree Chapter

and continue that sense of belonging—and continue providing service to our union and fellow senior citizens.

The struggle still goes on and our vigil is still necessary. Keep the faith!



# Social Security has proven its worth: leave it alone!

The following article by Robert M. Ball, former Commissioner of Social Security, outlines some of the reasons that Social Security should not be tampered with.

In economic and social policy, as in medicine, the first step in curing an ill is correct diagnosis. What is causing the problem? If you don't get this straight, the actions you take may do more harm than good.

This would be the case with former Senators Paul Tsongas' and Warren Rudman's Concord Coalition proposal to reduce the deficit by means-testing Social Security.

Far from adding to the deficit, Social Security is now taking in more than it is paying out and thus is reducing the annual deficit in the consolidated budget. The deficit would be \$60.5 billion larger in 1994 except for Social Security.

Social Security has always

paid its own way. From 1937, when payments started, through 1992, Social Security collected \$3,900.7 trillion and paid out \$3,569.2 trillion, leaving \$331.5 billion in assets. None of the current deficit and none of the accumulated debt can be attributed to Social Security.

## Financing Secure

Nor is there any excuse to means-test Social Security—that is, to eliminate or reduce benefits to those whose income or wealth exceeds a specific level—on the grounds that, in the long run, benefits will have to be cut back because they will be too costly to support. "Unsustainable," Concord Coalition President Peter Peterson says.

Not so. Under present law, at present contribution rates, with no change in benefits, the trust funds will continue to grow until about 2020. At that time, an increase of 1.9% in the contribution rate for both employers and employ-

ees would carry the system until at least 75 years from now, the traditional period over which the estimates are made. Such a tax increase is not trivial, but is easily supportable—offsetting about 14% of the growth in earnings projected between now and then. Not really a big deal.

## Four-Layer Approach

After more than 55 years of experience, we have developed a four-layer approach to retirement income that is working well. The basic layer is the compulsory, contributory, wage-related Social Security program. The second layer is our private pension system, encouraged by government through favorable tax treatment. The third layer, also encouraged by government through favorable tax treatment, is made up of the savings people make on their own, particularly through home ownership. Both private pensions and private savings can be built

on Social Security. Means-testing Social Security would change all that, disrupt private pensions, and reduce the incentives for private saving.

The fourth layer is the federally-operated Supplemental Security Income (SSI) system—a safety net paid for out of general revenue that does take other income into account and on a means-tested basis pays enough to bring the elderly and disabled up to a rock bottom minimum level of living.

All of these measures—both public and private—do not add up to adequacy for all. There is still poverty among the elderly (as among all age groups in our society), particularly among the very old, people living alone, and minorities, but we have established a good design for retirement income that mixes government-operated and government-encouraged private measures. The combined system in a relatively short time has created a

IBEW  
Local  
1245



Retirees Corner

## Milk staves off bone mass loss

A new study linking coffee to osteoporosis (reduced bone mass) recently made headlines. Researchers from the University of California at San Diego found a small decrease in bone density among postmenopausal women (age 50 to 98) who drank at least two cups of coffee a day for many years.

But this occurred only in those women who hadn't drunk at least eight ounces of milk a day between the ages of 20 and 50.

The unfortunate thing for the women in this study was not that they drank coffee, but that they apparently drank it instead of milk.

Among those who had consumed at least a glass of milk daily, coffee posed no increased risk.

Even if caffeine or something else in coffee does interfere with calcium absorption or promotes calcium loss, it's only one of many factors that can affect the body's use of calcium—and a relatively small factor if it can be canceled out by just a glass of milk a day.

The key to strong bones is to consume milk and other foods rich in calcium throughout your life.

peaceful revolution in the way older people, people with disabilities, widows, widowers, and orphans are treated in this country. And, very importantly, the institutions involved are permanent, giving security to future generations as well as to the past and present generations. Social Security is the key element in all this—the base for everything else.



**Boycotts  
Endorsed by  
the AFL-CIO**

***Please Don't Patronize!***

**Boycotts  
Endorsed by  
the AFL-CIO**

**APPAREL & ACCESSORIES**

**ACME BOOT CO.**

Western-style boots: Acme, Dan Post, Dingo labels

**United Rubber Workers**

**DECKERS CORP.**

Sandals sold under the following labels: Deckers, Sensi, and Teva.

**International Association of Machinists & Aerospace Workers**

**F.L. THORPE & CO.**

Black Hills Gold jewelry

**United Steel Workers of America**

**HOWE ATHLETIC APPAREL**

Baseball & softball uniforms; satin and wool jackets.

**Electronic Workers**

**LESLIE FAY COMPANIES, INC.**

Dresses, sportswear, suits, knits. Labels include Leslie Fay, Nipon Boutique, Andrea Gayle, Kasper & Co., Castebrook, etc.

**Garment Workers**

**BUILDING MATERIALS & TOOLS**

**ACE DRILL CORPORATION**

Wire, jobber & letter drills, routers and steel bars

**United Automobile, Aerospace & Agricultural Implement Workers of America International Union**

**BROWN & SHARPE MFG. CO.**

Measuring, cutting and machine tools and pumps

**International Association of Machinists & Aerospace Workers**

**LOUISIANA-PACIFIC CORP.**

Brand name wood products: L-P Wolmanized, Cedartone, Waferwood, Fibrepine, Oro-Bond, Redex, Sidex, Ketchikan, Pabco, Xonolite

**United Brotherhood of Carpenters and Joiners of America, International Woodworkers of America**

**ROME CABLE CORPORATION**

Cables used in mining and construction industry

**International Association of Machinists & Aerospace Workers**

If you had to strike because your employer was unfair, you wouldn't want someone to cross your picketline. It's the same with boycotts. These boycotts have been called because unfair employers have refused to honor the rights of working people. Think of it as a consumer picketline: *don't cross it!*

**SOUTHWIRE CO.**

Commercial and industrial wire and cable; Do-it-yourself brand Homewire

**International Brotherhood of Electrical Workers**

**APPLIANCES**

**LAKEWOOD ENGINEERING & MFG.**

Electric fans and heaters for homes

**Teamsters**

**SILO, INC.**

National retailers of electronic equipment and appliances

**International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America**

**FOOD & BEVERAGES**

**BRUCE CHURCH, INC.**

Iceberg Lettuce: Red Coach, Friendly, Green Valley Farms, Lucky

**United Farm Workers of America**

**CALIFORNIA TABLE GRAPES**

Table grapes that do not bear the UFW union label on the carton or crate

**United Farm Workers of America**

**COOK FAMILY FOODS, LTD.**

Hams and ham steaks: Cook's, Blue bird, Fire Side, Lancaster, Nottingham, Shaws, Sherwood, Super Tru, TV's labels

**Firemen & Oilers**

**DIAMOND WALNUT CO.**

Diamond brand canned and bagged walnuts and walnut pieces

**International Brotherhood of Teamsters**

**TYSON/HOLLY FARMS CHICKEN**

Chickens and processed poultry products

**International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America**

**MOHAWK LIQUEUR CORPORATION**

Mohawk labeled gin, rum, peppermint schnapps, and cordials

**Distillery, Wine and Allied Workers International Union**

**PLUMROSE USA INC.**

Meat and meat products bearing USDA #6902. Brands include Plumrose, Elcona, Dak, Danola

**United Food & Commercial Workers**

**TRANSPORTATION & TRAVEL**

**ALITALIA AIRLINES**

Air transport for passengers and freight

**International Association of Machinists**

**GO-MART GAS**

Gasoline sold at Go-Mart convenience stores and truck stops

**Oil, Chemical & Atomic Workers**

**KAWASAKI ROLLING STOCK, U.S.A.**

Motorcycles

**Transport Workers Union of America**

**MICHELIN**

Michelin brand tires

**Rubber Workers**

**MISCELLANEOUS**

**R.J. REYNOLDS TOBACCO CO.**

Cigarettes: Camel, Winston, Salem, Doral, Vantage, More, Now, Real, Bright, Century, Sterling, YSL/Ritz; Smoking Tobaccos: Prince Albert, George Washington, Cater Hall, Apple, Madeira Mixture, Royal Comfort, Top, Our Advertiser; Little Cigars: Winchester

**Bakery, Confectionery & Tobacco Workers International Union**

**UNITED STATES PLAYING CARD CO.**

Brand names: Bee, Bicycle, Tally Ho, Aviator and Congress

**Retail, Wholesale and Department Store Union**



# IBEW LOCAL 1245 UNION SHOPPER



## Jacket

Black with IBEW Logo  
S/M/L/XL/2X  
\$26.00  
+\$3.00 shipping

## Stadium Jacket

Silver, Red  
(Specify front or back logo)  
S/M/L/XL/2XL: \$35.00  
3X, 4X: \$45.00  
+\$3.00 shipping

## Sweat Shirt/Hooded

Blue, Gray, Black  
M/L/XL/2X  
\$17.00  
+\$3.00 shipping

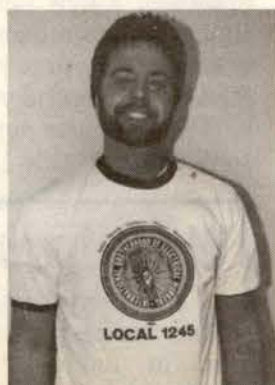


## Coffee Mug

IBEW/  
"Proud To Be Union"  
Black/Blue/White  
\$5.00  
+\$3.00 shipping

## Club Shirt

(No pocket)  
Black, Mint, Blue, Peach,  
Jade  
Logo on chest  
M/L/XL/2X  
\$19.50  
+\$2.50 shipping



## T-Shirt

Ringer with IBEW Logo  
S/M/L/XL/2X/3X, 4X  
\$8.00  
+\$1.50 shipping

## Golf Shirt

(With Pocket)  
Navy, Red, Royal, White,  
Maize  
Logo on sleeve  
M/L/XL/2X  
\$22.50  
+\$2.50 shipping

## Sweat Shirt/Crew

Blue, Gray, Black  
M/L/XL/2X  
\$15.00  
+\$3.00 shipping

## Bucket Bags

Lineman Logo in Center  
\$5.00  
+\$1.50 shipping

## IBEWomen Charm

14K Goldplated  
\$8.00  
+\$.55

## Suspenders

Red, Yellow  
Regular, Long, XL  
\$10.00  
+\$1.50 shipping



## Hats

IBEW Logo  
Lineman Logo  
Proud To Be Union Logo  
One size fits all  
\$5.00  
+\$0.75 shipping

## Lineman Pin

Goldtone  
\$5.00  
+\$0.55 shipping

✂ Please cut here ✂

## Order Form

Quantity	Item	Color	Size	Price	Shipping	Total
1.						\$
2.						\$
3.						\$
4.						\$
5.						\$

Ship To:

GRAND TOTAL

\$

Name

Address

City/State


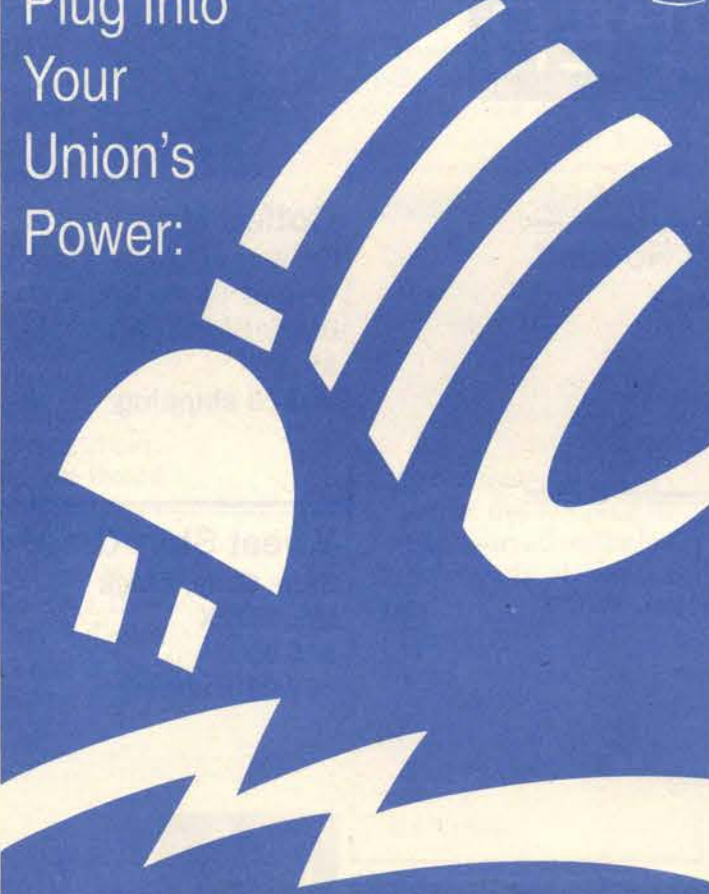
Zip

Phone #

Mail completed form with check or money order payable to:  
IBEW Local 1245  
c/o Office Manager  
PO Box 4790  
Walnut Creek, CA 94596



Plug Into  
Your  
Union's  
Power:

**ATTEND YOUR UNION MEETINGS**

## Changes in unit meetings announced

**Unit 3718, W. Geysers:** The new meeting location is Giorgios, 25 Grant Ave., Healdsburg, Ca.

**Unit 3512, Roseville:** The meeting location remains the same, but the restaurant has a new name: Villa Rosa Restaurant.

**Unit 3813, Placerville:** The new unit chair is P. Flecklin.



## City of Lodi pact provides for binding arbitration

**A** new agreement with the City of Lodi provides for final and binding arbitration for grievances, according to Business Rep. Gary Mai.

The new agreement also allows retirees to purchase

medical insurance at group rates. The agreement took effect July 1 and will be up for renewal at the end of the year.

Serving on the union negotiating team, in addition to Mai, were Jess Kerekes, Al Smatsky, and Barry Fisher.

## Clear Creek pact approved

**M**embers of Local 1245 at Clear Creek Community Service District approved a new agreement that provides a 6% wage increase in the first year and 2.5% in the second year.

The two year agreement took effect on July 1.

In addition to the wage increases, the pact improves bereavement leave by ending the practice of deducting such leave from sick leave, according to Business Rep. Jack Osburn.

Negotiating for the union, along with Osburn, was Richard Ordway.

## Weisshaar fund established

A memorial scholarship fund has been established in the name of Katina Weisshaar.

Daughter of union member Rita Weisshaar, Katina was killed in an auto wreck. Rita Weisshaar is a mem-

ber of the union bargaining committee at Sierra Pacific Power in Reno, Nev.

Donations to the scholarship fund may be sent to: Katina Weisshaar Fund, First Interstate Bank, P. O. Box 11007, Reno, NV 89520.



### MEMORIAL WALL

Continuing work on the construction of the Memorial Wall in front of Local 1245 headquarters on a sunny afternoon last spring were PG&E Concord employees and union members (from left) Rich Cowart, subforeman; Sharon Burt, meter reader; Jerry Pittore, subforeman; and Bryant Boland, troubleman.