



OFFICE OF THE CITY MANAGER

August 11, 2003

TO: City Council

FROM: City Manager

SUBJECT: Support with Amendment for AB 1389 (Ridley-Thomas) *Public Utilities Commission: Reports: Hiring: Capital investment*

On June 30 and August 5, 2003, the Legislative Policy Committee reviewed the attached reports regarding the endorsement of a policy to require telecommunications companies to report employment, customer and capital investment data to the California Public Utilities Commission (CPUC). The Committee discussed the alternatives of taking this action through the adoption of a resolution or through support of AB 1389 (*Ridley-Thomas Public Utilities Commission: Reports: Hiring: Capital investment*).

On August 5 the Committee voted to recommend that the City Council support AB1389 with the amendment that municipal utilities be excluded from the bill. AB 1389 would require any public utility employing more than 750 total employees to annually report employment, customer and capital investment data to the CPUC and would require the CPUC to annually report that information.

Respectfully submitted,

Cynthia J. Kurtz
City Manager

8/11/2003

5.C.(2)



OFFICE OF THE CITY MANAGER

August 5, 2003

To: City Council
From: City Manager
Subject: Resolution to Require Telecommunications Companies to Report Employment, Customer and Capital Investment Data to the CPUC Annually.

At the last meeting, the Legislative Policy Committee reviewed the attached report regarding endorsement of a policy to require telecommunications companies to report employment, customer and capital investment data to the California Public Utilities Commission (CPUC). Although representatives of SBC/PacBell were present to voice their support for the recommendation, the Committee expressed a desire to hear from other telecommunications companies that may have different perspectives on the proposed action.

Staff contacted Verizon and AT&T to invite them to attend the August Committee meeting and participate in discussion. Both companies declined the City's invitation.

The Committee also expressed an interest in supporting AB1389 (Ridley-Thomas), legislation that would introduce similar reporting requirements, rather than adopting the proposed resolution. AB 1389 is pending in the Senate Appropriations Committee with a hearing scheduled for August 18. The current bill language is attached

Respectfully submitted,

Cynthia J. Kurtz
City Manager

BILL NUMBER: AB 1389 AMENDED
BILL TEXT

AMENDED IN SENATE JULY 16, 2003
AMENDED IN ASSEMBLY JUNE 2, 2003
AMENDED IN ASSEMBLY MAY 5, 2003
AMENDED IN ASSEMBLY APRIL 22, 2003

INTRODUCED BY Assembly Member Ridley-Thomas
(Coauthors: Assembly Members Bermudez and Longville)

FEBRUARY 21, 2003

An act to add Section 7912 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1389, as amended, Ridley-Thomas. Public Utilities Commission: reports: hiring: capital investment.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities.

This bill would require *any public utility employing more than 750 total employees to annually report certain information to the commission and would require the commission to annually report ~~certain~~ that information*

~~on each public utility~~ to the Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications, or successor committees, and to make the information available to the public on its Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) Public utilities serve a vital function, providing basic infrastructure essential to the efficient conduct of commerce and societal interaction.

(b) In exchange for the state's granting of a certificate of public convenience and necessity *or a wireless identification registration number*, public utilities bear a heightened responsibility for contributing to the public interest.

(c) The public interest has been interpreted to include providing an adequate level of public utility service at a just and reasonable rate. A more complete interpretation of the public interest would also give consideration to the benefits of public utility employment to the state and its residents.

(d) Given the difficult economic climate and the increasing unemployment rate within the State of California, it is necessary and proper state policy to encourage the employment of Californians by California's public utilities.

(e) The Public Utilities Commission should monitor and annually report to the Legislature, information showing the levels of employment of California residents and capital investment in

California by public utilities, so that the state can ensure greater oversight of public utilities and more comprehensive, informed policymaking.

SEC. 2. Section 7912 is added to the Public Utilities Code, to read:

~~7912. The commission shall annually report to the Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications, or successor committees, and, within a reasonable time thereafter, make available to the public on its Internet Web site, information for each public utility, showing~~

7912. (a) Public utilities employing more than 750 total employees shall annually report to the commission all of the following:

~~(a)~~

(1) The number of customers served in California by the public utility.

~~(b)~~

(2) The percentage of the public utilities' total domestic customer base that resides in California.

~~(c)~~

(3) The number of California residents employed by the public utility, calculated on a full-time or full-time equivalent basis.

~~(d)~~

(4) The percentage of the public utilities' total domestic workforce, calculated on a full-time or full-time equivalent basis, that resides in California.

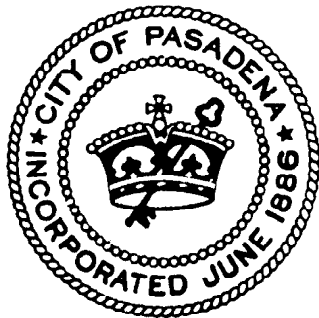
~~(e)~~

(5) The capital investment in the public utility's tangible and intangible plant which ordinarily have a service life of more than one year, including plant used by the company or others in providing public utility services, in California during the yearly reporting period.

(6) The number of California residents employed by independent contractors and consultants hired by the public utility, calculated on a full-time or full-time equivalent basis. This subdivision is inapplicable to contractors and consultants that are a public utility subject to the reporting requirements of this section.

(b) The commission may require any business that is a subsidiary or affiliate of, or a corporation which holds a controlling interest in, a public utility, to report similar information when reporting this information furthers the purposes of this section.

(c) The commission shall annually report the information required to be reported by public utilities pursuant to subdivision (a), to the Assembly Committee on Utilities and Commerce and the Senate Committee on Energy, Utilities and Communications, or their successor committees, and within a reasonable time thereafter, shall make the information available to the public on its Internet Web site.



Agenda Report

June 30, 2003

TO: City Council

FROM: City Manager

SUBJECT: Adopt a Resolution Endorsing a Policy to Require Telecommunications Companies to Report Employment, Customer and Capital Investment Data to the CPUC Annually

RECOMMENDATION:

It is recommended that the City Council:

- 1) Adopt a resolution endorsing a policy to require telecommunications companies to report employment, customer and capital investment data to the California Public Utilities Commission annually; and,
- 2) Authorize the Mayor to communicate Pasadena's position.

BACKGROUND:

On June 3, 2003, representatives of the Communication Worker's of America (CWA) Local 9503 and SBC Pacific Bell spoke before the Legislative Policy Committee to request that the City review and support a resolution to address local job creation and investment in the telecommunications industry.

The resolution responds to concerns that telecommunications companies are increasingly utilizing out-of-state workers for the provision of services to California residents. As home to 33 million consumers, California is an extremely lucrative market. Because a large profit can be made on California residents, these organizations believe that telecommunications companies should therefore be expected to make a domestic workforce investment and increase capital investments in California as well.

Specifically, the resolution seeks to require telecommunications companies offering local service in California to annually report to the CPUC:

- a. the number and location of customers;
- b. current and annual capital investment in the State; and
- c. the number of union and non-union employees in the State and in each locality where it provides service.

Making this information available to the public and decision makers across the state may lead to greater industry attention to local hiring and investment.

The intention of this resolution, to encourage policymakers to support the principles of local hiring and investment, is clearly aligned with Pasadena's policy to support the same.

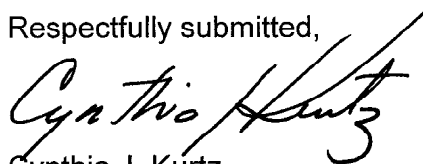
The League of California Cities has not taken a position on this bill, however, a dozen California cities have adopted similar resolution.

A piece of legislation with similar goals is currently making its way through the legislature. Assembly Bill 1389, authored by Assemblyman Mark Ridley-Thomas and sponsored by the Communications Workers of America, would require the Public Utilities Commission to annually collect and report to the Legislature the same information listed above for all utilities providing service within the state. The bill originally included language that would have required preference in state contracting to companies that promote jobs and investment in California, however this section was removed in amendment. The CPUC has supported AB 1389.

FISCAL IMPACT:

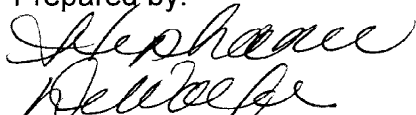
Encouraging local investment and employment will result in positive impacts to the local and state economy. Industry costs to implement the new reporting requirements are anticipated to be minimal.

Respectfully submitted,



Cynthia J. Kurtz,
City Manager

Prepared by:



Stephanie DeWolfe
Assistant to the City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY OF PASADENA ENDORSING POLICIES TO ENCOURAGE INVESTMENT IN LOCAL TELECOMMUNICATIONS SERVICES IN CALIFORNIA, INVESTMENT IN LOCAL COMMUNITIES AND INCREASED EMPLOYMENT OPPORTUNITIES

WHEREAS, the Federal Communications Commission and the California Public Utilities Commission (CPUC) have successfully opened telecommunications markets and created competition in California;

WHEREAS, multiple telecommunications companies now offer local and long distance service in California;

WHEREAS, the availability of advanced telecommunications services is important to City residents, businesses and communities;

WHEREAS, the availability of advanced telecommunications services is dependent on maintaining the current telecommunications network infrastructure and future investments in network facilities and infrastructure;

WHEREAS, the development of and investment in network infrastructure promotes economic growth and employment opportunities for City residents;

WHEREAS, telecommunications companies offering service in California have pledged to make investments in infrastructure and local communities;

WHEREAS, the benefits of competition and new investment in telecommunications infrastructure should be extended to all Californians;

NOW, Therefore, be it resolved by the City of Pasadena as follows:

1. Policymakers should require each telecommunications company offering local service in California annually to report to the CPUC each city, municipality, and county where the company has local service customers and the number of such customers in each locale.
 2. Policymakers should require each telecommunications company offering local service in California to certify annually to the CPUC and to each city or municipality where it provides service, (a) its current capital investment in the State and its additional, yearly incremental investment, by city, and (b) the number of its union and non-union employees in the State and in each city or municipality where it provides service.
-

number of its union and non-union employees in the State and in each city or municipality where it provides service.

ADOPTED this _____ day of _____, 2003, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

City Clerk

Approved as to form:

Clu

6/19/03

Nicholas G. Rodriguez
Assistant City Attorney