

CAL first to win Lifeline — here's how

Let's start by describing what the California Lifeline bill does.

The California Lifeline bill directs the Public Utilities Commission to designate a Lifeline quantity of gas and electricity which is necessary to supply the minimum energy needs of the average residential user for the end uses of space and water heating, lighting, cooking, and food refrigeration, taking into account differentials in needs between customers who are supplied by gas and electricity, and differentials caused by geography, climate and season. The bill then directs the PUC to require electric and gas companies to file a schedule of charges providing a Lifeline rate not greater than the rate for that amount of energy at the time of the effectiveness of the bill (January 1, 1976). That rate shall stay the same until the average rate for all other customers is 25% higher. Then, and only then, can the Lifeline rate increase.

The bill doesn't have a specific kilowatt-hour figure or dollar amount?

No. The original bill, which was made up from our Lifeline position, provided for 500 kwh of electricity and 100 therms or 10,000 cubic feet of gas per month at 50% of the present rates for that amount. The major modifications made in the legislative process were first of all to leave the PUC free to designate the Lifeline amount. The other major change was we gave up the idea of rolling back the rates 50%. We gave up half of that in the Assembly and the other half in the Senate in favor of creating a prospective rate differential keeping the Lifeline amount at the present rate and letting rates in the rest of the schedule rise.

How do you feel about that compromise?

It was a necessary political compromise. From an organizing point of view, it's obviously not as good as if we could have had the power to roll back the rates. Then, people would have gotten the immediate sense that their bill was being cut. However, we could not have gotten such a bill through. And we should not under-estimate, in these days of rising rates, the significance of holding firm. Our estimate is that pending before the

PUC, for the five major utilities in the state, are more than a billion and a half dollars of rate hikes which would affect the Lifeline amount very significantly if it was not protected. For example, if rate hikes were granted on the ordinary basis that they have been, PG&E customers alone would be subject to increases of \$10 to \$15 a month, or \$120 to \$200 a year, without the Lifeline bill. We think that's very significant and the principle is extremely important also. From a legislative point of view, it's much likelier on a major change like this to get the concept into the law and into policy and then further develop it. Besides the summary that I gave you the bill also includes in its findings, and in very powerful language, that heat and light are basic human rights and must be made available to all the people at low cost for basic minimum quantities. It also finds that the present rate structure penalizes the individual user of small quantities and encourage wastefulness by large users. That's all part of the bill and we think it's extremely significant.

Why did you pick Lifeline, instead of flat rates or other rate structure reforms in the first place?

Well, we actually picked Lifeline to focus on after we were well into our utility campaign. From the beginning, both Lifeline and Fair Share Rates were part of our platform, which also included stopping the rate hike, a fair chance for public power, and an end to price fixing and profiteering. Our focusing in on Lifeline had an immediate organizing point which was we wanted to move heavily into seniors and we needed an issue that was going to be important in reaching them. As we experimented with it, it was apparent that everyone was really responsive to the notion, particularly to the notion that Lifeline would be for everybody. Seniors and poor people were responsive to the idea that it was not another special program for them, not another "welfare program" to use the colloquial. Middle class consumers were very clear that it was something that would affect everyone. I think the one thing that is significant about Lifeline is that it constitutes what I would call an

understandable positive alternative.

How important was the fact that you fought for Lifeline both in the legislature and the PUC?

Extremely important. We originally perceived the need to make the issue of utility rate hikes and rate reform a public and political issue. It was a viable issue for politicians to move on because it had great popular support. So it became clear to us that one lever to fight both the utility company directly and to energize the PUC on our behalf was to get the politicians actively on board working on it and the best forum for that was the legislature.

When we originally set out I was quite skeptical of our ability to really get a piece of legislation through the complex political process in the legislature, particularly from only a Northern California vantage point and with a very complicated issue. I had much more positive feelings about the fact that it would be an immediate benefit to our fight with PG&E and leverage at the PUC to have a bill and politicians coming out for it and from the beginning we got that. One of our first supporters on Lifeline was one of the most powerful people in the legislature—the Speaker of the Assembly, Leo McCarthy.

Then, in our case, we reached what you might call a very complementary benefit of the whole process—again, faster than we foresaw. The PUC began to change its position on Lifeline. After we had made it a political issue in the gubernatorial primary and all the Democratic candidates promised to appoint responsive people to the PUC, Governor Brown, when elected, did just that and appointed two effective commissioners who are going to work to make changes in the PUC. We thought the Reagan appointees would still have a majority and we'd still have a problem there but it's not entirely so. The Brown appointees, together with the public support which we generated, have been able to pull over onto their side the now president of the Commission, a Reagan appointee.

So there's three votes in the Commission when we thought there were only

An interview with Tim Sampson

going to be two. That factor has enabled us to get the Commission to support the Lifeline principle and begin moving on it. That in turn was the final factor which helped us get the bill through the legislature. So the bill that we started to influence the PUC wound up influencing the PUC which in turn influenced the legislature to pass the bill. So that's about as neat a set of events as I can imagine.

You say you were skeptical of the ability of a group based in Northern California to win on an issue like Lifeline, but now you've won. How did you do it?

We succeeded in making Lifeline an attractive issue and we succeeded in demonstrating to the legislature that we had substantial public support for the issue. We were aided by the political configuration in the legislature where a number of key leaders happen to come from the Bay Area.

I would say that the way in which we were able to meld a kind of mass based citizen action style together with more traditional kinds of lobbying techniques, together with the issue being prime and the sequence of events that I mentioned before about the interplay between the PUC and the legislature, were what ultimately put us over the hump on the bill. The kind of thing we did to get the bill introduced in the first place was very helpful for local organizing. We had rallies, mini-rallies and face to face meetings with all the local legislators in the Bay Area. We asked them to make a commitment to sponsor and assist lifeline legislation in the next session. (This was in the summer a year ago).

In the case of Assemblyman John Miller in Berkeley and Oakland, this ultimately led him to introduce Lifeline legislation. This is a good example of a kind of action/reaction model of organizing because we organized three successive meetings. The first two he didn't come to, the second one he sent his deputy—the people were furious and that produced more people each time. Finally he came out and said what the hell do you want and the people said we want Lifeline and gave him a copy of our statement. We didn't hear anything more

from him—this was in August, 1974.

In December we were working with McCarthy's office to get a bill introduced because we needed it at that point to show people there was really going to be a bill and we needed the actual printed bill. Also, it accelerates the process if your bill is introduced in the pre-session before the session convenes officially in January. We got our bill into that hopper, but not the one we'd been working on with McCarthy who had agreed to introduce it. John Miller simply took the statement we pressed on him at one of these local actions in Oakland, had it made into a bill and simply introduced it on his own without even consulting us. So, all of a sudden there was a bill.

In case people think that wasn't important, that "accident" or that victory as it turned out assured us of getting our bill an early start. We had already gotten bogged down in the technical drafting of a bill and it shows you it's not worth the trouble of getting the perfect bill. Get a bill! And get it through the process. That's what the people do up there—each step in the process there's work done on it. So, get a bill and get it in is our advice. We almost didn't get a bill in because we were into this polishing, getting the right bill, the right language and all that kind of stuff, and lo and behold a reaction from our action got us a bill.

How did you mix mass action and lobbying?

After that victory number one on Lifeline, the major thing we did was to take 900 to 1000 people to Sacramento to the legislature—on our own timetable. We did not wait for the bill to be set for a hearing or anything like that. We picked the time that was suitable for our organizing schedule to turn out a large number of people. We had all those people and we did two things.

First, we had a major public rally at which we got the Assembly Speaker, McCarthy, and a number of other legislators to come and pledge their support to our bill. We also showed off the depth of our coalition by having speakers from labor and the churches and



environmental, consumer and senior groups that were supporting us as well as members of our own campaign organization. Then we broke up into small delegations and actually went and made a lobbying visit to each of the 120 members of the legislature. We did that with the advantage of a very careful and appropriate knowledge of how it's done. We had consulted with a number of lobbyists as to some of the pitfalls. Of the 120 we probably only directly saw maybe 30, but in each other office we saw someone whether it was a secretary or an aide and we said "we're going to get back to you, we want an agreement", and we had an accountability agreement and a fact sheet on the bill and some literature which showed that it was a national idea whose time had come. We got high marks on the orderly process in which we kicked off this bill. That was a really good combination of a traditional mass demonstration with the other kind of quiet meet and confer technical lobbying procedure which many of the public interest groups follow. It was really very important. That was our second victory—really putting our bill and us on the map in the legislature.

Was the fact that the campaign took so long a problem for you?

Well, I certainly would recommend to anybody who gets into this from a mass based organizing point of view that they

CAL wins electricity and gas for people

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do so with their eyes open as to what it's going to take. I was thinking of an analogy when I was thinking of talking to you: It's kind of like getting a foundation grant—you can get it but it takes you twice as long as you ever think it will. So a fight for a major change like Lifeline, whether it be in the PUC or in the Legislature or using both as we've done, it's going to take longer than whatever you imagine. That's a disadvantage and an advantage. The disadvantage is of course you have to sustain some kind of campaign framework and organization and interest in large numbers of people over a long period of time and it's complicated. The advantage is that when you need certain things to happen from a building your organization point of view, you can cut out pieces of activity that complement and fit in to the broad objective of your campaign and you can use it as an advantage. By and large, for us it's been a tremendous plus. I think having one kind of fight that you go on for a chunk of time, while it may seem somewhat horrendous to contemplate, also has the advantage of giving you a lot of visibility and identification around that issue and if you win like we're going to win, I think the fact that we've been into it for as long as we have it's going to make it that much better.

How did you deal with the welfare argument? Did that arise a lot?

It arose continually, including during the last key Senate vote. One important thing we did was in cross examining Sibley, the Chairman of the Board of PG&E at the PUC. We exposed the fact that the concern of the utilities for the poor had to be suspect and phony since they never were for the poor before. They didn't really have any interest in the poor, they were, simply attacking the idea of a reform that would benefit everybody by saying that some people would get it who didn't need it. And we were able to make that response stick fairly well. Many of the people who raised the argument were raising it insincerely in that way.

For some people who had a sincere concern for focusing in on something that could benefit poor people and seniors

more directly and less benefit others, the best argument that we could use was that people are really tired of creating special needs programs financed by the middle class and that it is critical to start developing those programs in the context of really reforming the basic institutions. That argument proved to be understandable both in terms of rationality and in terms of the kind of fiscal crunch that social programs are in generally.

Now the welfare argument on the other side — that this wasn't sound and wasn't cost justified and was simply a welfare program, albeit an effective one — that argument in some ways was a little harder. It was really only harder because the utilities had created such myths around the present rate structure. The present rate structure is not cost justified. It is profit justified. It was set up that way to produce the growth and profit and then the utilities began telling everybody and then wound up believing that that's how the costs actually work — that it's actually cheaper to serve the large customers and all that. Well that has to be directly attacked. We continually counterattacked saying that the idea of a lower price for the first part of energy was sound environmentally and conservation wise and it was sound in terms of the overall change in the cost pattern of the industry.

Would your advice to other groups be to go after Lifeline as opposed to flattened rates or peak load pricing?



Yes. The reason why I would advise them to go after the idea of Lifeline, not a specific one, but the general principle of average use and for everybody and protecting that part of the rate, is because I think it's the kind of basic reform benefitting the majority coalition we're trying to build and because I think it represents the kind of understandable position in the whole area of rate reform, because it's a lot simpler than the rest of these complexities we're dealing with, and because it's an idea whose time is clearly here.

And the purpose of electric and gas utilities — outside of the fact that we know their purpose is really making money like the purpose of everything that's organized for profit in this country — but the ostensible public purpose, and the reason why we call them public utilities, is to deliver electricity and gas to people. Lifeline clearly goes after that at the heart and it's hard to deny its need. Now I think that it's therefore better to cut the fight positively — “this is what we need” and go after that — than to continue pretty much negatively. In one way it's kind of a negative to continually go after big business paying its fair share, for example — I'm for it and people respond to it because they like to go after big business and unresponsive government but there is, I think a characteristic at least in American life, I don't know about elsewhere, of people wanting to have a positive thing they can fight for. Lifeline helps with that so you can get that combination.

We fought on all three fronts — we went directly after PG&E to expose how they benefit from the way the rates are set and how they're ripping people off and how they're passing things through the big corporations, how they're interlocked and all that. We dragged out and made a personal target of their Chairman of the Board and the whole business. We went after our PUC and cut some procedural issues as we went along, anti-secrecy, and against offsets without hearings, and so forth that were useful fights. But it was having the ability to cut a positive reform and get people behind it that I think really made a difference in our campaign.

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