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Mr. Bonta:

- Deadly wildfires
- Regular blackouts
- Expensive utility bills
- Incomprehensible bureaucracy
- Intolerable corruption

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SEP 14 2021

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

These are all things that stem from having an ineffective and bloated regulatory bureaucracy: the California Public Utilities Commission.

In 2016, there was an effort in the Legislature to finally do something about it. Large majorities of Californians applauded that measure, and felt it was needed. Yet the forces favoring the status quo blocked the effort, and the Legislature didn't get it done.

The call for reform will thus need to be answered by the people. With that in mind, we submit this ballot measure. It would dissolve and reform the PUC into specialized, agile departments that serve California well, while preserving jobs, and creating much-needed funding for wildfire victims.

We look forward to receiving title and summary.

Signed,



Adolfo Ramos

# **THE CALIFORNIA REGULATORY REFORM AND EFFICIENCY ACT**

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

## **SECTION 1. FINDINGS AND DECLARATIONS**

The People of California hereby find and declare the following:

- (a) WHEREAS, Recent events have caused grave concern among caring Californians and have highlighted the ineffectiveness of the current regulatory system, and
- (b) WHEREAS, in the last decade, California has suffered from blackouts, brownouts and other power losses that are embarrassing for a modern economy; uncontrolled wildfires destroying life and property because of poor planning and ineffective regulation; continually polluted air despite paying the highest utility rates in the nation for green power; the tragic San Bruno pipeline explosion taking many lives; significant concerns about the oil trains traversing the Central Valley and Sacramento; scares about San Onofre and nuclear waste; and the Aliso Canyon gas leak, still unaddressed, which caused thousands to have to flee their homes and greatly polluted our air and caused many to worry about the efficacy of the safety and inspection programs designed to stop catastrophes; and
- (c) WHEREAS, The 21st century has brought about many changes to technology and to the delivery of services and necessities that were unforeseeable in 1911 when the “Railroad Commission”, the Public Utility Commission’s predecessor, was enshrined in the California Constitution; and

(d) WHEREAS, The 1946 constitutional amendment that renamed the Railroad Commission as the Public Utilities Commission, and gave it added authority over our natural gas, electrical, telephone, and water companies, was also the product of a different era, when these utilities and common carriers were grouped together in the hopes that one regulatory body could best regulate services used by the public on a daily basis; and

(e) WHEREAS, The commission has taken the position that its authority can only be expanded, which has resulted in an ever-growing bureaucracy that now has jurisdiction over not only gas, electrical, telecommunications, water utilities, and railroads, but also moving companies and ride-sharing applications; and

(f) WHEREAS, In the over one hundred years since its establishment, the industries under the oversight of the commission have grown and evolved in ways that have rendered the current structure of the commission inefficient and obsolete, leaving Californians without the oversight and regulatory protections that we need, particularly in matters involving workforce and public safety; and

(g) WHEREAS, The commission has suffered from ethical lapses, notably the failure to report communications with special interests, and the closeness of commission personnel to the entities they are supposed to regulate; and

(h) WHEREAS, The commission continually suffers from due-process violations, economic ignorance, and lack of expertise and high turnover; and

(i) WHEREAS, Despite these failures to protect the public and to clean our air, our electrical, gas, water, and telephone rates have continued to rise; and

(j) WHEREAS, The people of California would be better served with more nimble, focused, and specialized regulators, whose actions would result in far greater accountability; and

(k) WHEREAS, The Legislature should be forced to do its job to rethink the manner in which utilities, common carriers, and other related entities are

regulated, and to create new structures that would enable regulators to focus on safety, reliability, and affordability of essential services, consumer protections for nonessential services, and protecting and preserving our environment; now, therefore, be it

RESOLVED, by the people of the state of California:

**SECTION 2. THE CALIFORNIA REGULATORY REFORM AND EFFICIENCY ACT**

The people of the State of California hereby amend Article XII of the California Constitution as follows:

Section 10 is added, to read:

**SEC. 10.**

(a) (1) Notwithstanding Section 4 of Article XII, the Legislature shall within one year after the date the measure adding this section is enacted, reallocate or reassign all of the functions of the Public Utilities Commission to other state agencies, departments, or boards, and thereafter the Public Utilities Commission and any unassigned powers shall cease to exist.

(2) The Legislature's reallocation or reassignment of these functions shall remain exclusively with state agencies, boards, and departments, and not local agencies, cities, or counties, and shall be in furtherance of ratepayer and environmental protection, public health, increased transparency and public access, preserving jobs, and preserving the ability for third parties to advocate for and intervene on behalf of those in need. To preserve jobs and expertise, and to minimize displacement of state workers, the Legislature shall work to ensure that workers obtain similar employment within the agencies, boards, and departments

to which the functions, duties, and/or regulatory authority of the Public Utilities Commission are reassigned or re-allocated.

(b) Of the current functions, duties, and/or regulatory authority of the Public Utilities Commission, the following reallocations or reassignments shall occur:

(1) Privately owned electric or natural-gas utilities, to the California Energy Commission, and/or the Department of Conservation, or their successors;

(2) Privately owned water utilities, within the Natural Resources Agency or its successor;

(3) Railroad and rail transit companies/agencies, rail crossings, and Transportation companies, excluding Transportation Network Companies, within the Transportation Agency or its successor;

(4) Transportation Network Companies and telecommunications companies, to the Department of Consumer Affairs or its successor;

(c) The term “successor” or “successors” as used herein shall not be interpreted to grant the Legislature the power to re-consolidate the above functions in any one entity that is similar to the current Public Utility Commission.

(d) The re-assignment of current Public Utility Commission functions, duties, and/or regulatory authority in (b) (4) shall not include ratemaking and/or quasi-judicial powers.

## **SECTION 2. SPECIAL WILDFIRE VICTIMS’ FUND**

Ninety million dollars is hereby appropriated and shall be deposited into a “Special Wildfire Victims’ Fund”, which is hereby created in the State Treasury. Moneys in the Fund shall be available, upon request by the State Fire Chief, to immediately assist victims of wildfires with their housing, food, and other basic needs. The State Fire Chief shall develop guidelines for drawing down these funds

and for victims in need to apply. Monies sufficient to replenish the Fund, adjusted for inflation, shall be continuously appropriated by the Legislature.

### **SECTION 3. REPEAL AND RENUMBERING**

After the reallocation and reassignment described in Article XII, Section 10 is complete, and no later than 1 January 2024, Article XII, Sections 1 through 7 and Section 9 shall be repealed in their entirety, effective on the earlier of the two dates. On that date, Article XII, Sections 10 and 8 shall be renumbered as Sections 1 and 2 respectively. A statute that was valid at the time of its enactment is not invalid by virtue of the repeal of the former Article XII by the measure that added this article, except when it conflicts with this measure.

### **SECTION 4. SEVERABILITY**

If any provision of this Act or the application thereof is held to be invalid or unconstitutional, that shall not affect any other provisions or applications of the Act that can be given any effect without the invalid or unconstitutional provision, and to this end the provisions of this Act are severable.

### **SECTION 5. CONFLICTING MEASURES**

In the event another initiative measure or measures appearing on the same statewide ballot seek to impose requirements on the operation of the California Public Utilities Commission, said measure or measures shall be deemed to be in conflict with this Act. In the event this Act receives a greater number of votes than any measures deemed to be in conflict, the provisions of this Act shall prevail in their entirety, and the other measure or measures shall be null and void.

## **SECTION 6.      LEGAL DEFENSE**

If this Act is approved by the voters of the State of California and thereafter subjected to a legal challenge alleging a violation of federal law, and both the Governor and Attorney General refuse to defend this Act, then the following actions shall be taken:

- (a) Notwithstanding anything to the contrary contained in Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code or any other law, the Attorney General shall appoint independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.
- (b) Before appointing or thereafter substituting independent counsel, the Attorney General shall exercise due diligence in determining the qualifications of independent counsel and shall obtain written affirmation from independent counsel that independent counsel will faithfully and vigorously defend this Act. The written affirmation shall be made public.
- (c) A continuous appropriation is hereby made from the General Fund to the Controller, without regard to fiscal years, in an amount necessary to cover the costs of retaining independent counsel to faithfully and vigorously defend this Act on behalf of the State of California.