



The Bear Facts

from The Citizens' Utility Board of Oregon

Summer, 1992

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Commission Approves Caller ID

NEW DEMANDS ON PHONE CUSTOMERS RESULT

Last month the Public Utility Commission approved Caller ID, paving the way for a slew of new phone services for customers to wade through. Whether or not you buy the Caller ID service, your phone will be part of the system, revealing your number to anyone you call. And there's no way out unless you ask your phone company for either "Call Blocking" or "Line Blocking".

Phone customers have, up until now, safely assumed that their basic phone service would remain unchanged unless they chose otherwise. That is no longer true. According to the Commission order, "Some customers will decline to choose (Caller ID blocking) and the Commission will presume from their inaction that they do not care whether the utility transmits their number." But the PUC, while assuming customers don't care what happens to their phone numbers, does offer a way out (for those of us who care). The PUC order, issued May 6, says, "utilities may offer Caller ID only if they also offer free Call and Line Blocking for all customers."

CUB agrees with this portion of the order. Without free blocking, every phone customer would be paying for Caller ID in one way or another -- buying the service, buying blocking of the service, or, through simple inaction, losing the freedom to make a phone call without being identified at the other end of the line.

But while Line Blocking must be offered "free", it doesn't come without its own demands. The order states that customers with Line Blocking must be able to deactivate it with a code. Because without a way to deactivate the blocking you ordered to avoid being in the Caller ID system, your call to anyone using the system would likely go unanswered.

Caller ID is touted by the phone companies as the answer to the problem of unwanted -- obscene, harrassing, etc. -- phone calls. But a look at the services a customer needs to buy indicates that Caller ID is more of an answer to phone companys' prayers for greater income potential.



The optimum service package to deter harrassing calls, as recommended by the PUC, should include Caller ID, Anonymous Call Rejection, Selective Call Rejection, and Call Trace. The monthly service costs for these services vary with each phone company, but fit generally into this range: Caller ID, \$5.95 to \$7.00; Anonymous Call Rejection is free; Selective Call Rejection, \$3 to \$4; Call Trace, \$5 to \$10. That's a minimum of \$14 per month in addition to an initial investment in the Caller ID device (starting at \$70).

See "Caller ID" inside.

CUB Work Returns \$1.4 Million To US West Customers

A recent check by CUB attorney Rion Bourgeois revealed that US West was holding \$1,017,000 in customer funds remaining from a 1987 PUC refund order of \$11.2 million. Without any action to prevent it, the money would have gone to the State, eventually finding its way to the education budget, and the interest would have remained with US West.

Since interest of some \$400,000 had accumulated, CUB argued that it, too, belonged to US West customers. The company, while admitting the need to return the principal to its customers, disputed CUB's claims for interest.

Finally, after some tense negotiations during which the PUC offered some support of CUB's position, US West agreed to return the principal plus interest, amounting to about \$1.4 million, in the form of a customer credit to appear on bills starting in June.

"Not only is it outrageous that US West has been sitting on this money for five years, hoping every one would forget about it," said Bourgeois, "but after we finally got them to agree to pay the money back to ratepayers, they claimed they did not owe any interest. CUB had to threaten to sue them before they agreed to pay interest."

Because it involves the proper disposition of customer refunds and the interest collected on customer funds, this is an important victory for ratepayers. This CUB action has

See "US West Refund" inside.

Cub Lobbies for Phone Consumers

In May, Representative Jack Brooks introduced H.R. 5096, the Antitrust Reform Act of 1992 into Congress. The bill is designed to protect telephone consumers by prohibiting the local phone companies from using local rates to subsidize new business ventures.

"US West has been clear about their intentions of getting into all kinds of new areas of business from computer services to cable TV,"

said Bob Jenks, CUB program director. "H.R. 5096 will ensure that consumers who don't want these new services will not pay for them."

Under the rules put in place by the breakup of AT&T, US West and the other regional telephone companies have been prohibited from entering new areas of business which overlap the local phone system. The phone companies have

spent million of dollars in a lobbying campaign to repeal these consumer protection rules.

CUB, along with a coalition of senior and consumer groups has been fighting to see that the laws are strengthened. As part of this effort CUB has organized citizens to send more than 6,000 "phonegrams" to members of Congress.

"US West is now imitating our grassroots campaign," claimed Jenks. "Within days of the Brooks bill being introduced, US West sent letters to their Oregon employees asking them to write in opposition to members of Congress."

It is critical that the Oregon delegation hear from ratepayers. Please write your member of Congress and urge them to ensure that local phone service be priced as low as possible by supporting H.R. 5096.



PHONEgram

H.R.5096

The Honorable _____
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

I am writing to urge you to support H.R. 5096, the Antitrust Reform Act of 1992. H.R. 5096 will protect consumers and prevent soaring phone rates.

As long as local telephone monopolies exist they must not be allowed to use their bottleneck monopoly to limit competition. Competition in information services and manufacturing will give consumers a variety of choices and will ensure reasonable prices.

In addition, the local telephone companies must not be allowed to subsidize new business ventures with revenue raised by local phone rates.

H.R. 5096 will ensure that the most essential telephone service -- basic, local, monthly service -- is priced as low as possible. We hope you will help protect consumers by co-sponsoring H.R. 5096 and urge your colleagues to support this legislation.

Please let me know how you intend to vote on this issue and if you will take a strong step in favor of consumer protection by co-sponsoring this bill.

Sincerely,

Name _____

Address _____

City _____ Zip _____

US West Refund *continued*
from first page:

not only returned to customers what is rightfully theirs, it sets a precedent the PUC can now apply to all customer refunds from all utility companies.

CUB expects an even larger pool of money to be left over from the \$56 million refund US West began paying in January. CUB will monitor the process to ensure that any remaining money is again returned to ratepayers.

CUB Board Elections

Statements of Candidates for Election to the CUB BOARD OF GOVERNORS

DISTRICT 1

Bruce Bishop

My interest in the operation and the cost of operating public utilities goes back many years to my days as a student of public utility and labor economics at the University of Oregon. A major concern of mine -- on philosophical, economic and political grounds -- is the use by a private communications utility of the private messages of consumers without completely effective overview of the uses to which the utility may put its inevitable collection of information on its customers. The utility is, after all, the sole guarantor of any degree of confidentiality unless the people have a role.

If we are to retain our liberties as citizens in a democracy, there are certain things in the area of modern communication we must do. One is to insure the right to privacy and to deny for any reason the use of our reputations, our credit, our addresses, and other personal identification to those whose purposes are purely commercial and, who, by definition, would have no built-in or institutional reason to protect our interests as they fight to survive in the market.

If elected to the Board of Governors of CUB, I would work to protect the citizen rights alluded to above. In addition, I will do everything possible to protect the citizen's right to protection from unfair and inequitable utility rates and to demand the full public explanation and justification of any proposed changes in the rate structure.

DISTRICT 2

Pam Graves

I'm interested in being a CUB Board Member because of my concern over the future of public utilities, specifically the cable television industry.

We are poised at the beginning of a new interactive electronic era that will link telephones, television, and our homes to the rest of the world. Now is the time to insure consumer interests are represented in the process.

DISTRICT 3

Michelle Kinsch

Oregon has long been on the forefront of many public interest movements including consumer protection, environmental preservation, and women's rights. However, recent events show national politics leaning toward the right. It is for just that reason that this is the time for watchdog organizations like the Citizens' Utility Board to speak up in the public interest and welcome the responsibility that comes with democracy. I hope to bring my experience as an activist, consumer, and citizen of Oregon to the Board of Directors.

My experience includes the 1990 campaign for Ballot Measure Six -- the Oregon Recycling Act. I served on the steering committee for the campaign and was involved daily with all aspects of the campaign. Since then I have worked for the Oregon State Public Interest Research group, where I was able to put to work both my interest in environmental issues such as toxics and recycling, and in consumer issues such as toy safety and utility regulation. I am currently working for the National Environmental Law Center, a national organization that specializes in encouraging strong environmental policy on the state and local level. I have most recently helped get off the ground our campaign against global warming -- a campaign which includes both environmental protection and energy efficiency. On a volunteer basis I have worked on women's issues and gone through training for the Portland Women's Crisis Line.

Political goals of the Citizens' Utility Board should include continued success in lowering utility rates and protection of consumer rights. Organizational goals should be increased outreach to Oregonians across the state, increased presence in the Oregon legislature and financial diversity and growth.

DISTRICT 3

Tim Goss

I am excited about running for the CUB Board of Directors. I have been working as a student and citizen activist for six years. I believe I would bring a wide range of activist experiences to the Board if elected.

I was involved with Anti-Local Measured Service and Three Person PUC campaign. That same year I was elected to serve on the OSPIRG Board of Directors. I served for three years on

OSPIRG's Board of Directors.

In 1988 I was appointed to serve on the Oregon Student Lobby (OSL) Board of Directors. I was one of three principle student lobbyists for OSL in the 1989 Legislative Session. I gained valuable experience on citizen lobbying. I would look forward to working with the staff and other members of CUB during the upcoming 1993 Legislative Session.

I have also directed two summer canvasses for OSPIRG, and I have a lot of experiences with canvasses. I am currently the Campaign Manager for State Representative Tom Novick. I went to work for Tom because he has also been a long time consumer and environmental advocate.

In the 1990's, ratepayers will be asked to pay more for decreasing electricity because of the diminished salmon runs. CUB should be on the forefront of energy conservation. This way we can work to keep rates low. Utilities will want to have ratepayers pay for their advancement in technology. I feel that their shareholders should pay for that, not us! It is the huge profits by utilities at our expense that motivates me to want to serve on the CUB Board.

I would be an active member of the Board. I would work with the CUB staff and other Board Members to increase the effectiveness of CUB.

Thank you for your time and I hope that I will have your support.

DISTRICT 4

Chuck Mundorff

I am interested in serving on the CUB Board of Governors for District 4. I feel that CUB has been and will continue to be a significant force in defining energy policies and protecting consumers in this State and I am eager to take on the challenge of spurring the growth of the organization.

I have worked for several different public interest causes in Oregon over the last 12 years and believe that my experience will serve me well. I volunteered with Four Laws on Board and the Don't Waste Oregon Committee in their 1980 and '86 campaigns. I was on the Oregon State Public Interest Research Group board of directors for 2 years and in '89-'90 was the Chair of that board. I am currently finishing my first year of law school at the University of Oregon and am the co-director of the Oregon Law Students Public Interest Fund. I have had experience working on initiative campaigns, lobbying legislators, election campaigns, volunteer organizing, campus education projects and fund raising.

The most important element in increasing CUB's ability to protect ratepayers is to expand its resources by increasing its membership. In an era of declining governmental interest in consumer protection, citizens have to safeguard themselves from unfair rate increases through organizations like CUB. I feel that I can be a valuable contributor in helping CUB achieve its goals.

Congressional District Guide

CUB's districts are the same as Oregon's Congressional districts. Here is a chart to help you find your district number.

Les AuCoin	1
Bob Smith	2
Ron Wyden	3
Peter DeFazio.....	4
Mike Kopetski.....	5

CUB Board of Governors BALLOT

Please follow these instructions when casting your ballot:

- * Only vote for a candidate in your Congressional district (see table or call CUB at 227-1984).
- * Cut out the ballot along the dotted line and mail to CUB, P.O. Box 6345, Portland, OR 97228.
- * Ballots must be received at the CUB office no later than July 17, 1992.

District 1

(vote for one)

Bruce Bishop

☐

District 2

(vote for one)

Pam Graves

☐

District 3

(vote for two)

Tim Goss

Michelle Kinsch

☐☐

District 4

(vote for one)

Chuck Mundorff

☐

Note: No qualified candidates filed for election in District 5. Therefore the Board of Governors will be accepting applications for this position and will appoint a member after the elections. If you are interested in applying for this position, please contact Bob Jenks, CUB, 921 SW Morrison, #550, Portland, OR 97205 or call 227-1984.

CUB Saves Ratepayers \$300 Million

Over the course of its seven-year history, CUB's work has put \$300 million back in utility ratepayers' pockets. And it's done so on a budget of less than \$700,000.

In 1985 CUB won its first rate case, saving General Telephone customers \$7.4 million. The following year CUB's intervention saved United Telephone customers \$1.74 million. The same year, Oregon phone customers saw a general rate decrease of approximately \$25 million per year. One year later, in 1987, CUB actions contributed to reductions and refunds of some \$56.5 million for PNB (now US West) customers. In 1988, PNB rates were reduced by some \$5.03 million. In January of '92, US West customers were

Seven years ago, CUB was not expected to survive when utilities refused to allow billing inserts to inform customers about CUB and ask for their support. Even though more than 600,000 Oregon voters had created CUB and approved its funding through billing inserts, the utilities used their considerable legal resources to take the issue to the U.S. Supreme Court, which ruled that forcing the utilities to insert anything in their bills was an abridgment of their free speech. And, because they are "private" companies, the technicality worked. (Somehow, the fact that they are effectively "public" by virtue of their monopoly status didn't make it into the arguments.)

*This box represents the
\$300,000,000 saved Oregon
utility consumers over
the past 7 years.*

*This box represents the
\$700,000 it cost to do it.*

IT DOESN'T COST A FORTUNE TO SAVE ONE.

refunded \$56 million. And, just last month, CUB work obtained another \$1.4 million in customer credits from US West.

Because CUB's total expenditures since 1985 amount to about \$700,000, each membership dollar has been worth some \$428 in utility rate savings.

But CUB didn't give up. By canvassing Oregon citizens to build its membership base, CUB has managed to "hang in there". More than just a survivor, though, CUB's perseverance has paid high dividends. As investments go, CUB is a sure thing.

Caller ID *continued from first page:*

The order does acknowledge that "Caller ID has some limitations which minimize its value for customers who want to identify the caller rather than the originating line. Simple Caller ID only provides the number so the customer would have to rely on either memory or some kind of reverse directory to associate a name with the number. Even when Caller ID provides a name, the customer would receive more accurate information from an answering machine because callers identify themselves by name."

CUB's recommendation? If you want to screen your calls before answering, buy an answering machine. If you want your number kept private, as it is now, request Line Blocking (and remember your deactivation code). If you do get harrassing phone calls, use Call Trace until the problem is solved. There are other combinations of options which might better suit individual needs, but these are (unfortunately) the simplest and least costly solutions we can offer.

Because of the restrictions placed on Caller ID charges by the PUC order, phone companies may decide against offering it, but do have the go-ahead to proceed with any or all of the CLASS services.

Oh, by the way, the order does require the phone companies to "...distribute materials explaining the service options to its customers and set up a convenient procedure for customers to select Line Blocking if they desire to do so." Watch for those "materials". If you miss them, you'll be a part of the Caller ID system, like it or not...

The Citizens' Utility Board of Oregon

CUB Board of Governors

DISTRICT 1

Kirk Roberts, Portland
246-3385

Judy Schilling, Gaston
648-6646

DISTRICT 2

Nancy Helget, Pendleton
276-2811

Mark Becker, Bend
382-2467

DISTRICT 3

Margot Beutler, Portland
282-0285

DISTRICT 4

Laura Olson, Leaburg
896-3298

John-Erik Nilsson, Eugene
683-2371

Merton Saling, Eugene
485-0813

DISTRICT 5

Lloyd Marbet, Boring
637-3549

Martin Fisk, Corvallis
737-5208

Steve Gorham, Salem
374-6494

CUB Staff

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Administrative Director

Bob Jenks,
Development/Program Director
Anita Russel,
Administrative Clerk

Telecommunications Law Project

J. Rion Bourgeois
Michael F. Sheehan

Location and Phone

921 SW Morrison, Ste. 550
Portland, Oregon 97205
(503) 227-1984

CUB CAN'T WORK WITHOUT YOU!

Not a government agency, CUB was created by Oregon's citizens and exists solely due to their support. CUB's members are the ratepayers of Oregon's utilities -- that's most of the state's population. More than likely, that's you!

If you're not yet a CUB member, join. It's easy. Use the enclosed envelope to send your annual membership dues. In return, you'll get CUB's quarterly newspiece, The Bear Facts, and you'll keep your utility watchdog healthy and alert.

And members, to help CUB produce and distribute The Bear Facts, please mail your contribution today. Because utilities bear watching!

The Citizens' Utility Board of Oregon

**P.O. Box 6345
Portland, OR 97228**

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CUB

*Because Utility Companies
Bear Watching*

