

ALAMOGORDO DAILY NEWS

Report calls for overhaul of state regulator

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SANTA FE, N.M.—New Mexico should reorganize the Public Regulation Commission and impose minimum qualifications on its members, according to a report released after a second elected regulator was forced from office.

Jerome Block Jr.'s departure from the commission was the latest scandal to tarnish the regulatory agency, and the report by an independent think tank says it's time to clean up the mess.

Think New Mexico recommended streamlining the commission by moving certain regulatory duties to other agencies and requiring elected commissioners to come to the \$90,000-a-year job with more professional and educational experience.

Gov. Susana Martinez and some commission members agree it's time to overhaul the commission, which was created by a 1996 constitutional amendment merging two regulatory agencies.

"If we look at Commissioner's Block resignation and say, 'OK, it's a problem fixed,' it would be a big mistake," PRC member Jason Marks said in an interview. "The commission has had a history of problems at the commissioner level. We need to do something different."

Scott Darnell, a spokesman for Martinez, said, "The governor certainly supports reforming the Public Regulation Commission to bring greater public confidence in its activities and decisions."

Block agreed last week to resign in a deal with prosecutors. He also pleaded guilty to felony charges that included the misuse of a state-issued gasoline credit card. Another commissioner, Carol Sloan, was ousted last year after being convicted of battery and burglary for attacking another woman who allegedly had an affair with her husband.

The PRC's decisions touch the lives of most New Mexicans because the agency sets rates for electric and natural gas utilities, insurance companies and

some telecommunications services. But it does far more.

In regulating motor carriers such as taxis, moving vans and ambulances, the PRC determines the prices charged to customers and what companies can operate in the state. The agency also registers corporations and oversees safety of railroad crossings.

Its State Fire Marshal's office investigates arson and enforces fire safety requirements in buildings. The PRC even certifies yearly inspections of ski lifts in the state.

No other state utility regulator has such broad powers over so many industries, according to the report by the Santa Fe-based think tank, which has a track record of successes in the Legislature. It has campaigned to lift the state tax from groceries and to tighten state lottery expenses to provide more money for college scholarships.

The report's other recommendations include putting insurance regulation in a new cabinet-level executive branch agency under the control of the governor. Martinez, however, has questioned that proposal.

"The governor would be wary of any proposal to create a new executive cabinet department, but again, she does believe many of the PRC's current regulatory functions can be moved into existing agencies in state government," said Darnell.

Marks, the commission member, preferred making



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the state's insurance regulator an independent elected office.

There's long been turmoil in the PRC's insurance division. Former PRC member and insurance superintendent Eric Serna retired in 2006 because of conflict-of-interest questions over his role with a health foundation. A deputy insurance superintendent was convicted in 2008 for coercing insurance companies to donate money to charity in exchange for reducing regulatory fines.

Revamping the PRC will require a change in the state Constitution. The Legislature must approve a proposal and voters would need to adopt it. There have been several proposals to overhaul the PRC in recent years, but they've stalled in the Legislature.

Fred Nathan, the think tank's executive director, hopes momentum is building for an overhaul.

"These reforms are urgent because the state's weak economy makes it more essential than ever that the PRC be professional and competent," said Nathan.

The report also recommended:

— Requiring PRC candidates to have at least a bachelor's degree from an accredited college or five years of professional experience in law, engineering, economics or accounting. Currently, a PRC candidate needs only to be 18, a New Mexico resident for at least one year and have no felony convictions. At least 15 states impose educational or professional experience qualifications on their utility regulators, according to the report. Block, 34, didn't have a four-year college degree and worked at a title insurance company when he ran for office in 2008.

— Keeping regulation of utility rates and service at the PRC, along with oversight of pipeline safety.

— Moving the State Fire Marshal's office to the Department of Homeland Security and Emergency Management.

— Shifting ambulance regulation to the Health Department, which certifies emergency medical personnel that staff ambulances. The department also licenses air ambulances.

— Placing registration of corporations with the secretary of state's office, which handles those

duties in 35 states.

— Eliminating rate regulation of in-state motor carriers, such as moving companies and taxis. Safety and insurance requirements for motor carriers should be retained, but that's already handled by the state's public safety agency, according to the report.

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