

PRC needs educated, trained people serving on board

BY FRED NATHAN

Observer guest columnist

Toward the end of your ballot in this year's election is an opportunity to professionalize and streamline New Mexico's dysfunctional Public Regulation Commission (PRC) by voting in favor of Constitutional Amendments 2, 3 and 4.

No local, state or federal government agency directly affects more New Mexicans on a daily basis than the PRC.

In addition to approving the prices New Mexicans pay for electricity, natural gas, water and landline telephone service, the PRC also regulates every type of insurance — from auto, property, life and title insurance to health insurance. The PRC controls the cost and service of motor carriers (including taxis, moving vans, buses, shuttles, ambulances and tow trucks); processes corporate registrations; regulates oil, natural gas and hazardous liquid pipelines; and even oversees the state fire marshal's office and ski lift inspections.

As a result, the PRC has the broadest regulatory power of any state agency in the nation, yet the only qualifications required of the five PRC commissioners are that they must be at least 18 years of age; residents of the state for at least one year and not convicted felons.

There are no professional or educational requirements — not even a high school diploma. Yet, PRC commissioners must frequently make very complex and technical decisions that require them to understand, analyze and apply economic, legal and engineering concepts. The decisions they make affect hundreds of thousands of New Mexicans and tens of millions of dollars. Constitutional Amendment 2 would authorize the Legislature to increase the qualifications of PRC commis-

sioners and require continuing education so that the commissioners are better able to fulfill their mission.

The PRC would also benefit from being streamlined so commissioners can focus on their core mission, the regulation of utilities.

Start by removing the PRC's corporations bureau, which has been plagued by problems including lost checks, lost paperwork and long delays. The PRC handles the registration of only some types of businesses, such as limited liability companies (LLCs), while the Secretary of State handles it for others, such as limited liability partnerships (LLPs). Constitutional Amendment 3 would consolidate both units into an efficient one-stop shop for all business filings at the Secretary of State's office, the way 41 other states do it.

Another important reform would be to remove the PRC's authority over the Insurance Division. Under the PRC, every superintendent of insurance has either been fired or forced to resign because of the inherent conflicts that arise from working for five bosses with competing political agendas. In addition, the Insurance Division has been placed on probation by the National Association of Insurance Commissioners three times in its 16-year history, in large part because PRC commissioners had pressured the division to hire unqualified but politically connected employees.

Constitutional Amendment 4 would instead allow the superintendent to be selected by an independent nominating committee, insulating the regulation of insurance from political interference.

Fred Nathan is executive director of Think New Mexico, an independent, results-oriented think tank serving New Mexicans. Think New Mexico released a report last October entitled "Rethinking the PRC."