

**Opening Statement of Commissioner Chong at
Confirmation Hearing Before State Senate
January 3, 2007**

It is a privilege to appear before this Committee. I would like to thank Governor Schwarzenegger for nominating me and all the organizations and individuals who have offered support.

As background, I was born and raised in Stockton. I graduated from Cal Berkeley, and received my law degree from UC Hastings. I then practiced communications law before the Federal Communications Commission in Washington D.C. and the PUC in California.

In 1994, I had the honor of being nominated by President Clinton to a seat on the FCC. I was proud to be the first Asian American FCC commissioner. For 3-1/2 years, I was in the cat bird's seat, overseeing federal regulation of broadcasters, wired and wireless phone companies, cable television companies, and commercial satellite companies. Through this position, I gained tremendous insight into the fast moving communications industry and its challenges.

If confirmed, I will leverage this regulatory expertise to oversee California utilities. It is my practice to be accessible to parties, study the issues carefully, and strike a fair balance. Specifically, my major PUC regulatory goals are as follows:

- **First, for energy, I will promote energy efficiency and renewable resources, decrease greenhouse gas emissions, and ensure reliable electricity at reasonable rates.**

My record on energy issues is clear. My first vote as a PUC commissioner was as the decisive vote to approve the California Solar Initiative.

I support the PUC's work on establishing a greenhouse gas cap to help achieve AB 32's worthy goals. This month, we are also poised to adopt a greenhouse gas performance standard for all baseload power plants seeking long-term investments by California utilities, as called for by Senator Perata's SB 1368.

Further, I support our state's Energy Action Plan. This Plan calls for us to rely on energy efficiency and demand response before building new power plants. California literally leads the nation in energy efficiency progress. We have held electricity use per person constant over the past quarter century, even as use per

person in the rest of the country has increased by fifty percent. Of course, we can and must do even better.

I support the PUC's continued work to ensure the adequacy of power resources. I have voted for ample reserve margins – which ensure the availability of power on peak days. I have supported decisions upgrading the transmission system so that electricity from the lowest cost generators can flow to where it's needed.

I have taken other steps to prevent power blackouts. In November, I authored a “demand response” decision to ensure that we reduce peak energy needs this coming summer.

Finally, I am actively promoting giving consumers more information and control over their energy usage via new technology. Smart meters will allow consumers to track their daily energy usage, and control their energy bills.

- **My second goal is to narrow the “digital divide” by deploying broadband and other communications infrastructure throughout our state.**

I congratulate the Legislature for passing California's video franchising legislation. Increased competition, as called for in AB 2987, will provide the right incentives to attract the most advanced communication services to California. Furthermore, AB 2987 ensures that the PUC has the data we need to identify broadband gaps.

As the assigned commissioner, I intend to implement the video franchise law on time. I commit to monitor carefully and enforce the important build out and antidiscrimination provisions in AB 2987. The PUC's enforcement tools here include monetary fines, suspension, and revocation of video franchises.

I am passionate about broadband deployment because I believe it is critical to economic development and to our children's future. I want California children to be technology-literate so they can grow up to be a valued employee in our increasingly high tech society.

To this end, I authored the PUC's Broadband over Power Lines decision. This decision helps provide regulatory certainty to companies that are seeking to use our state's power lines to deliver high-speed Internet access.

Outside of the PUC, I am supporting the work of the California Emerging Technology Fund to bring broadband to rural, low income, and disabled

communities. I have just been named to the Governor's Broadband Task Force, and look forward to working with this group to encourage broadband build out.

- **My third goal is to ensure reasonable rates and consumer protection in the telecommunications arena.**

The introduction of competitive markets in telecommunications has caused the PUC to reassess our regulatory role. Advances in technology are outstripping prior regulations that were conceived in a bygone era where phone companies offered only phone service. Phones now hold your contacts list, access your email, and allow you to buy things on the Internet.

As recognized by this Legislature last year, phone companies like AT&T and Verizon now are adding video to their current offerings of phone and Internet service. Add to the mix the fact that there are more wireless phones than wired phones in California. The last unexpected twist is that about 8 million Americans have given up their traditional wired phones completely and make calls exclusively using Internet phones.

In the modern phone marketplace, a regulatory agency should protect consumers, resolve complaints, and go after bad actors that prey on innocent consumers. Since I joined the PUC, we have had many such accomplishments in the consumer protection arena:

- The PUC complaint backlog has been reduced by over half with the addition of 15 new full time staff, 12 of which are bilingual.
- I helped create and design a new consumer education website, www.calphoneinfo.com. In 12 languages, this site provides consumer education on communications issues and complaint resolution.
- The PUC held its first Consumer Bill Forum in Fresno, and plans 8 more this year. At these bill forums, bilingual PUC staff and phone companies travel to low income, senior, and limited English communities. We help consumers sign up for low income programs, file complaints, and resolve bill questions.
- The PUC now has a new Telecom Fraud Unit to swiftly take action to dissuade criminals from taking advantage of phone customers.

In addition, I initiated a review of our Universal Service public policy programs to ensure that these programs meet statutory goals. We should not inadvertently

consign low income consumers and the disability community to last century's technology.

- **My final regulatory goal is to ensure an ample supply of clean water at reasonable rates.**

Our state has growing water needs, and I am concerned about how we provide incentives for infrastructure development. I am concerned about the speed at which our water cases proceed, so I support streamlining reforms. Recently, I voted to support new low income programs for water utilities.

Finally, I support water conservation measures, for two reasons. First, there is never enough water to waste. Second, improving our water use efficiency also reduces our energy needs and our greenhouse gas emissions.

If confirmed, I look forward to working with you to help solve these critical issues. Thank you very much for the opportunity to share my goals with you.