

To:

The Honorable Marybel Batjer

Subject: AB 1678 Rulemaking

April 8, 2021

The Honorable Marybel Batjer

505 Van Ness Avenue

San Francisco, CA 94102

RE: Rulemaking 21-03-010 LGBT Business Enterprises and Implementing AB 1678

Dear President Batjer:

As a former legislator, I worked hard to ensure that members of the Lesbian, Gay, Bisexual, and Transgender (LGBT) community had the same opportunities as any other Californian. One of those efforts that I supported was AB 1678 by Assemblyman Gordon. The bill, which was signed into law in 2014, included LGBT business enterprises as part of the CPUC Utility Supplier Diversity Program.

The bill provided LGBT businesses the same opportunities granted to women-owned, ethnic minority-owned, and disabled veteran-owned businesses. The other groups within the CPUC Utility Supplier Diversity Program have procurement goals ranging between 1.5 and 15 percent. It is my understanding that the CPUC is looking to establish an LGBT procurement goal of 0.5 percent. This is unacceptable. The proposal treats the LGBT community like third-class citizens that are not equal to others in the supplier diversity program.

For decades, the LGBT community has been discriminated against, only to watch its government do nothing. In the last two decades, the LGBT community has made great strides to create equal footing. This 0.5 percent proposal is a step backward.

The Supplier Diversity Program is designed to break down those walls and create inclusion within the utility sector. More than a half dozen utilities have already exceeded the 0.5 proposed procurement goal for LGBT businesses presented by the utilities. One utility averages more than ten percent in procurement for LGBT businesses, and others have exceeded two percent. Unfortunately, several utility

companies are not even trying. Nearly one-third of all utilities have yet to procure even a single LGBT contract over the past five years. These utilities are failing to respond without a meaningful goal. A procurement goal needs to be aspirational rather than marking achievements that have already been accomplished.

While one would assume that the participation goals could be adjusted over time, it is essential to look at the CPUC Supplier Diversity Program's history. Not one goal has been modified since the inception of the program more than 30 years ago. Once the Commission sets a goal, it does not change. A 0.5 percent procurement goal for LGBT businesses today means the same goal for ten, twenty, thirty years from now.

The goal should reflect the LGBT community as a whole. According to UCLA's Williams Institute, California's LGBT community represents more than five percent of the state's population. The procurement goal should be closer to the overall population base.

That is why I am urging the CPUC to establish a procurement utilization goal of at least 1.5 percent for LGBT business enterprises. It puts the LGBT community on a level footing with other groups in the CPUC Supplier Diversity Program. It also establishes an aspirational goal for the utilities, rather than something some utilities have already achieved. Most importantly, it goes back to the legislation's intent, which is to establish some equality for LGBT businesses that have been previously discriminated against.

With thanks,

Mark Leno
Former State Senator
and Assemblyman