

**FOR IMMEDIATE RELEASE**  
**November 18, 2010**

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## **ALABAMA PUBLIC SERVICE COMMISSION ADOPTS STRONGEST ETHICS POLICY IN COMMISSION HISTORY**

MONTGOMERY – The Alabama Public Service Commission adopted new rules Thursday, making the Agency’s ethics policy the strongest in Commission history.

At the Commission’s first meeting, the newly-elected commissioners, Twinkle Andress Cavanaugh and Terry Dunn, along with Public Service Commission President Lucy Baxley spoke with a unified voice to set the tone for the new commission. Commissioners cited the need for transparency and a strong ethical foundation at the Commission as reasons for taking action at the first meeting of the new Commission. The new policy enacted by the Commission will supplement the existing Employee Handbook.

“These new rules and guidelines set the highest ethical standards for conducting business at the Alabama Public Service Commission,” Commissioner Cavanaugh said. “Small businesses and consumers deserve a fair hearing and this new ethics policy underscores the Commission’s dedication to fairness.”

Commissioner Dunn said the public outcry for ethics reform was his key motivation for taking this action at the Commission’s first meeting. “The voters have spoken loud and clear that they want a true commitment to accountability, and these new rules deliver that commitment to them,” Commissioner Dunn said.

“The PSC is blessed with an experienced and professional staff. In my tenure there has never been an issue with our employees and the ethics commission. Today’s new employee guidelines protect not only the ratepayers but our employees themselves from outside lobbyists. If we Commissioners lead by example, it will likely never become an issue for our staff. That’s why I added the amendment to prevent Commissioners from taking campaign contributions from lobbyists,” PSC President Lucy Baxley said.

Below are highlights of the new policy:

- In addition to the existing state law, the Alabama Public Service Commission requires that no member or employee of the Alabama Public Service Commission shall solicit or accept any gift or campaign contribution from a lobbyist representing an industry regulated by the Alabama Public Service Commission.
- The Alabama Public Service Commission will designate an ethics officer from among existing employees. The ethics officer will provide annual ethics training for the staff, and collect reports of gifts from staff members which will be available as a matter of public record.
- A copy of this policy will be distributed to each employee of the Alabama Public Service Commission, and a copy will be mailed to all registered lobbyists in the State of Alabama.

Attached to this release is the new policy in its entirety.

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## **Alabama Public Service Commission Code of Ethics**

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### **Intent**

To ensure transparency and a solid ethical foundation at the Alabama Public Service Commission.

### **Current Law**

Alabama Code § 36-25-12 (1975), currently states that,

No person shall offer or give to a member or employee of a governmental agency, board, or commission that regulates a business with which the person is associated, and no member or employee of a regulatory body, shall solicit or accept a thing of value while the member or employee is associated with the regulatory body other than in the ordinary course of business.

Under the current interpretation of the State Ethics Law by the Ethics Commission, employees generally may accept certain items (hospitality, seasonal gifts of insignificant value, etc.) valued at \$100.00 or less from anyone (including any lobbyist) so long as the purpose is not to influence official action.

Alabama Code § 36-25-1(18) (1975), currently defines a “lobbyist” as

1. A person who receives compensation or reimbursement from another person, group, or entity to lobby.
2. A person who lobbies as a regular and usual part of employment, whether or not any compensation in addition to regular salary and benefits is received.
3. A person who expends in excess of one hundred dollars (\$100) for a thing of value, not including funds expended for travel, subsistence expenses, and literature, buttons, stickers, publications, or other acts of free speech, during a calendar year to lobby.
4. A consultant to the state, county, or municipal levels of government or their instrumentalities, in any manner employed to influence legislation or regulation, regardless whether the consultant is paid in whole or part from state, county, municipal, or private funds.
5. An employee, a paid consultant, or a member of the staff of a lobbyist, whether or not he or she is paid, who regularly communicates with members of a legislative body regarding pending legislation and other matters while the legislative body is in session.

### **Ethics Officer and Public Records Contact Person**

The Alabama Public Service Commission shall designate from among existing employees 1) an ethics officer and 2) a public records contact person.

1) The ethics officer will make reasonable efforts to ensure that the employees responsible for adhering to this Code become familiar with relevant ethics, public record, and open meeting requirements by providing for annual training sessions.

2) The public records contact person will make reasonable efforts to ensure that access to public records is provided without undue delay.

### **Acceptance and Non-Acceptance of Gifts**

In accordance with Alabama Code § 36-25-12 (1975), no employee of the Alabama Public Service Commission “shall solicit or accept a thing of value while the member or employee is associated with the regulatory body other than in the ordinary course of business.”

*In addition to the existing state law, the Alabama Public Service Commission requires that no member or employee of the Alabama Public Service Commission shall solicit or accept any gift including a campaign contribution from a lobbyist representing an industry regulated by the Alabama Public Service Commission.*

Gifts received by an employee from a lobbyist representing an industry regulated by the Alabama Public Service Commission, shall not be accepted or retained. Such gifts must be either donated to charity or returned to the sender with an explanation of this policy. Perishable gifts that are impracticable to return must be donated to charity or shared with co-workers as appropriate. The action taken with regard to the donation, return, or retention of prohibited gifts must be documented and filed with the ethics officer.

There are only the following four limited exceptions to the prohibition on the acceptance of gifts from lobbyists of industries regulated by the Alabama Public Service Commission and the accompanying disclosure provision:

1. Gifts from relatives, regardless of value, may be accepted. Likewise, nothing in this Code shall be deemed to limit, prohibit, or otherwise require the disclosure of gifts through inheritance received by an employee.
2. Gifts (including hospitality) received from personal friends in the ordinary course of friendship, regardless of value, may be accepted, provided any such personal friend does not fall within any of the following categories: (a) lobbyist; (b) partner, business associate, or employee of a lobbyist; (c) person having a special pecuniary interest (either individually or through a corporation or organization) in a matter pending before the Commission; (d) person who (either individually or through a corporation or organization) provides goods or services to the Commission under contract or agreement; or, (e) person who (either individually or through a corporation or organization) is seeking such business with the Commission.
3. Under Section 36-25-1(31) and this provision of the Commission’s Ethics Code, the acceptance of transportation and other actual and necessary travel expenses (including, but not limited to, airplane travel, hotel accommodations, and meals), from any member of the restricted categories set forth in subpart 2 of this section, is strictly

limited and may only be accepted: (a) under an educational or informational setting within the continental United States and Alaska, (b) when the employee is traveling in connection with an economic development, research, or trade mission, (c) for attendance at a mission or meeting in which he or she is scheduled to meaningfully participate, or (d) regarding matters related to his or her official duties. No transportation or travel reimbursement can be accepted if it is offered in exchange for official action. Nor can transportation or travel reimbursement be accepted by employees for hospitality or social reasons. As set forth in the Ethics Law, the reporting requirements of Section 36-25-1(31) must be strictly adhered to.

4. Gifts (regardless of value) accepted on behalf of a governmental entity or charitable organization or for which a public purpose can otherwise be shown, provided the supervising Commissioner approves such acceptance.

NOTE: These four limited exceptions do not, and are not intended to, permit the acceptance of any gift that is otherwise prohibited by Title 36, Chapter 25, of the Code of Alabama.

**REMINDER:** Any gift that should not be received directly may not be received indirectly. For example, a gift from a lobbyist should not be accepted by a third person on behalf of an employee for that employee's benefit.

#### **Conflicts of Interest: Avoiding the Appearance of Impropriety**

Employees should avoid any conduct that may undermine the public trust. Employees shall not, therefore, accept benefits of any sort under circumstances which could be inferred by a reasonable observer as intended to influence a pending or future decision, or to reward a past decision.

Employees whose immediate relatives (including spouse, siblings, parents, children) are lobbyists will not participate in any matter that would result in a relative's special gain or loss and will recuse themselves from any discussions/meetings that involve clients of an immediate relative. Any such matters will be reassigned to another employee of the Alabama Public Service Commission.

No employee shall participate in an official capacity in any matter that would result in his or her special private gain or loss, or which the employee knows will result in the special private gain or loss of any relative or business associate.

#### **Application for Exceptions**

In certain situations, there may be compelling circumstances warranting exceptions to the additional requirements of the Alabama Public Service Commission's Code of Ethics. In those instances, prior approval from the employee's supervising Commissioner is required. Such approval must be in writing and signed by both the supervising Commissioner and the employee seeking the exception. Any such approval shall be kept on file with the ethics officer.

**Filing of Complaints**

Any complaint alleging a violation of any provision of this policy must be submitted in writing, signed under oath and filed with the Ethics Officer who shall report such complaint to the Commissioners.

**Notice**

This policy will take effect immediately upon approval of the Alabama Public Service Commission. Upon approval, a copy of this policy will be distributed to each employee of the Alabama Public Service Commission, and mailed to all registered lobbyists in the State of Alabama.