

Controls as checks to the Aqueduct and Sewer Authority

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This article is the product of the ideas expressed by several persons who have written or given talks about the controls imposed upon Puerto Rican «authorities». Its object has been to evaluate the effectiveness of such controls in the light of present conditions. The author, in his effort to fulfill the expectations of the readers has confined himself mostly to a discussion of factors more directly related to the Aqueduct and Sewer Authority but would like to point out that these factors are also applicable to other «authorities» in Puerto Rico.

It is commonly said that the Aqueduct and Sewer Authority regulates itself. This statement has been established on experience and reasoning which is partially based on observed relationships among all parties involved and related to the Aqueduct and Sewer Authority, hereinafter called the Authority.

The writer will attempt to critically evaluate the different actions to which the Aqueduct and Sewer Authority is exposed in the matters subject to regulations. This critical evaluation will require analyses of the legal, constitutional and contractual sources of control with their respective effects on the operative, administrative, and financial aspects of the Authority. The statutes that crea-

ted the A.S.A. and the Puerto Rico Public Service Commission, and their interrelationships will serve as a basis for the analyses.

Contractual controls will receive the proper attention by the study of the bond indentures related to restrictions on the acquisitions of assets, repairs, maintenance, cash reserves and their uses, bond issues, safety, etc. The latter list does not exclude other contractual agreements such as labor and trust agreements.

It is the writer's intention to justify by arguments that the A.S.A. does not regulate itself. In the absence of appropriate regulatory actions by a Commission which has the authority but is reluctant to regulate the A.S.A., the latter is left exposed to the abuse of opportunities by private interests. Imbalance in the control actions, when effected, tends to deposit excessive control where it should not be.

It is hoped that the following comments will add some support to the above statements.

The reluctance of the Public Service Commission to regulate the A.S.A., though not explicitly stated in the statutes, leaves the Authority exposed to private interests' ambitions. Furthermore, Authority officials' broad discretionary powers give them ample margin for decisions whose results usually go unchecked.

Bondholders, in order to protect their investments impose excessive and needless restrictions on the operative, administrative and financial aspects of the Authority. These restrictions undoubtedly affect the rates and the service. It is by way of a set of restrictive clauses in bond indentures that bondholders regulate the Authority to an appreciable extent. In many instances they act as if they were given the right for its operation and management.

Present controls as checks to the Authority

In earlier days when the water and sewage system in Puerto Rico, was in its infancy and its relation to the public had hardly been thought of even in its broadest lines, there were several municipalities attempting to perform the same or similar services. This state of affairs was paid for, either by the community in poorer service or higher prices, or else by the municipality's loss of resources due to capital immobility. Several actions were taken as a response to the situation just described, namely: 1) the creation of the A.S.A., by legislative enactment, 2) the consolidation of

all municipally-owned facilities performing water and sewer services, and 3) authority's officials and administrators were vested with broad discretionary powers in order to enable them to carry on the legislative mandate. These broad discretionary powers, which so frequently had been attacked, probably were planned as necessary to the A.S.A.'s nature. Their relation to the Authority's origin, development and growth deserves much attention.

«Section IV of the A.S.A. Act provides that: The Authority is created for the purpose of providing and helping to provide the inhabitants of Puerto Rico an adequate water and sanitary sewer service and any other service or facilities incidental or appropriate thereto. The same section determines that the Authority shall have and may exercise all rights and powers necessary or convenient for carrying out such purposes including, but without limitation to the following: ...Then follows a long list of powers, such as... to borrow money and to issue revenue bonds, to fix and to collect reasonable rates and charges; to make rules and regulations including the power to determine the character and necessity for all its expenditures and such determination shall be final and conclusive.»¹

A set of such broad limits, legislative norms or standards leaves doubts as to what officials and administrators cannot do. To this may be added the growing tendency of the courts of justice to sustain vague standards such as, «reasonable», «just», «appropriate», etc. It seems to the author, that the legislators' intentions in delegating these powers to the officials is of much import as is the subject of the delegation.

Possible intended use of the broad discretionary powers

Some questions which may be of value in the analysis of the need for such a delegation follow: When was the delegation made? What was the purpose of the delegation? Is the delegation a proper one? Are the powers given to officials and administrators needed at the present? Such an analysis of Section IV of the A.S.A. may

1. Eulalio A. Torres, «*The Self-Regulatory Powers of Public Corporation*» (A Study of Rate-making Decisions in Puerto Rican Government Authorities), submitted to Professor Kenneth C. Davis for an Administrative Law Seminar (May, 1966) p. 10.

reveal end and means problems. A law with ample legal standards as is the A.S.A. Act may also have multiple and conflicting purposes. This does not mean that we cannot be sure of the purpose of the law. It is explicitly stated in Section IV of the Act. Care must be observed especially in untested matters where opinions and decisions creating the rules are lacking. Moreover, the intention of the person or persons who drafted the law or the majority of the legislators who voted for it has to be known. Only by knowing what was in their minds can the propriety of the delegation or the effectiveness of the law be judged. The writer, being deprived of the knowledge of the legislators' intention (a difficult thing to ascertain) finds himself limited in his attempts to fully evaluate the controls imposed upon the activities of the Authority.

As viewed by the writer, whatever the legislators' intentions were, the largest effect of the law on the Authority's activities is promotional. This promotional effect of the law is evident in the capacity of officials and administrators for organizing action and furnishing the facilities for the attraction of capital. Possibly, the law was intended to be a means of encouraging and helping the officials and administrators to direct their initiative and deliberate efforts toward the purposes of the law. Otherwise, the purposes of the law were impossible or difficult to be attained.

Paradoxically, the consequences of the rule-making delegation made to officials and administrators may determine to a great extent the degree of autonomy, as well as the controls to be imposed upon the Authority. The degree of authority, in turn, may have a direct impact on the growth and activities of the Authority with its corresponding problems of conflicts, such as ineffective communication and coordination. When the consequences of the rule-making delegation are dysfunctional, they instead reinforce the need for organizational control. Other forms of controls may also be needed as checks on the activities of the Authority.

Authority's self-regulating setting

Because at the outset, the economic concentration of all utilities' facilities was of prime concern to another area of public policy, the law provided for the availability of a self-regulatory framework to make possible the industry's expansion. It is under such a kind

of regulatory setting that the Authority has grown to the desired size and influence.

Much of the autonomy of the Authority, if not all, leans heavily on a self-contained finance and administration free from Executive and Legislative interference. If the Authority's Act were to be fulfilled to the spirit of the law in this respect, the following question necessarily follows: Are the executive and legislative branches able to impose effective controls upon the Authority? A brief consideration of the following facts may be helpful in answering the question. 1) Among a long listing of powers, Section IV of the A.S.A. Act states that the Authority has the power to determine the character and the necessity for all its expenditures and such determination shall be final and conclusive. 2) The governor has the ineludible function which demands of him «to execute the laws and cause them to be executed».² The Controller, a position provided for by our Constitution, with the duty to «audit all the revenues accounts and expenditures of the Commonwealth, of its agencies and instrumentalities and of its municipalities, in order to determine whether they have been made in accordance with the law» has a special division on its office entrusted with the public corporations' post audits.³

Confronted with the facto situations, such as, a Governor unable to personally or by delegation interfere with Authority's affairs and, a Controller limited in his functions (to do only post-audits), additional doubts are raised about the effectiveness of executive and legislative controls imposed upon the A.S.A. Who is in control? Who is regulated? No significant effects follow from the intended control-regulation relations as they are actually implemented. Once the necessity and the character of the expenditures is determined, the monies expended and the effects of the expenditures is felt, of what use is a post-audit? Suppose expenditures were not made in accordance with the law, what actions will the Controller take?

Readers must keep in mind that the broad discretionary powers and rights delegated to officials and administrators, in many instances, enable them to make their own law. This is possible through the rule and regulations making powers and through contractual arrangements that give the administrators a wide range of

2. *Constitutions of the Commonwealth of Puerto Rico*, Article IV Section I and IV.

3. *Ibid.*, Article III, Section 22.

autonomously directed activities. Further, what will be the role of the Controller if he finds out that the Authority's actions are not in conformity with the law? He is a legislative official. Will he be able to act in a prosecuting manner against the Authority? In such a case he will be acting as an executive official and serious doubts may be raised about the Controller's role as related to his functions in respect to the Authority's accounts and reports.

As to the ordering of reports, the only participation our Legislature has in the activities of the Authority seems to be of informative value. Annual reports sent to legislators inform them what the Authority has done or left undone. Assume a body of legislators interested in the activities of the Authority, what can they do after studying the annual reports? Financial and administrative effects have accumulated for a period. Remedial or corrective actions, if needed, may be of little value. The effects of wrong financial and administrative decisions or unexpected results may adversely affect plans or projects to be carried out in coordination with other agencies. Except for criticisms, are legislators enabled to apply any remedial actions? The channeling of information through the Legislature may be reserved for cases in which the Legislature decides to investigate the operations of the Authority.

Statements published as to rate decision postponements due to political reasons make one feel skeptical about the Authority's autonomy. Though the author agrees that the Authority cannot operate in a political vacuum, his opinion is that the political element should not be the exclusive or most influential variable in an important decision as is a rate postponement.⁴

Lack of accountability may be considered as the greatest weakness in the control system imposed upon the Authority. The Authority's Board of Directors is vested with the faculty to exercise the powers and rights of the Authority. It also determines the general policies and appoints the Authority's executive director, controller, and treasurer. The activities or functions of these officials insure an internal control system for the Authority.

External controls as checks on the activities and decisions of the officials and directors are deficient in effectiveness, except for the bondholders controls used to protect their investments. The exe-

4. For the origin of this statement readers are asked to read: A. Quiñones Calderón, «En defensa de una economía saludable», El Mundo, June 13, 1971, first edition, p. 7A, Co. 4.

cutive director, who is the senior officer of the corporation, does not have to justify its programs and activities to the Legislature. Appointment to the Board of Directors does not require the advice and consent of the Senate. Under these circumstances, who can demand full responsibility of the board of directors as to the Authority's performance? Who is to be liable for wrong decisions, negligible acts or omissions? An organization of the type described does not conform to sound managerial principles (as to responsibility and accountability). The advantages of management principles of private enterprise, which authorities may value as ways of adding flexibility to their system, have been ignored to a large degree.

The appointment of the members of the Board of Directors, which is supposed to represent customers, who at the same time are owners, is left to the Governor, as stated by the A.S.A. Act. No evaluation of the members' aptitudes nor other alternative criteria for their appointments is contemplated. Personal interests, because of each director's position in the Cabinet, may be represented, but what about the public interest? Business policy is in no respect different from public policy in governmental corporations doing business. A general knowledge about the state of nature of business is essential for good managerial decisions and controls. These attributes in no way are guaranteed to be present in cabinet members, regardless of their rank or status as a politician.

Many arguments have been raised against the public hearings held before rate and rate-level change proposals. Because its procedural aspects lack uniformity and are deficient in many other ways, the fact that each examiner's jurisdiction, for example, is not well established, has been attacked. Each examiner has a different idea or interpretation of his role. His decisions, which are mostly based on questions of fact as well as on questions of law, or mixed questions of law and fact, sidetracks him from his assignments. Also, because public hearings are the result of a long process of studies by which costs are determined, forecasts are made, and plans with other agencies are integrated, many persons feel at this point, that rates have also been decided and that the hearing is not the place for rate discussion.⁵

The efforts of dedicated persons have been spent in the discus-

5. Eulalio A. Torres, «The Self-Regulatory Powers of Public Corporation», pp. 30-31.

sion of the hearings procedure. Their recommendations as to the ways by which the public interest participation in the Authority's determination may be secured, have been numerous. Most of them agree that consumer's organizations as effective pressure groups are non-existent and that the Authority's autonomy in action does not conform at all with the public's democratic expectation.

The absence of consumers' organizations, in many cases, is due to the weakness inherent to their nature. Consumers may effectively organize and concentrate their efforts on special objectives. As the objectives are achieved, consumers disband themselves. Often consumers are organized around the intellectual interests of a small number of individuals. These individuals' influences may be insufficient in order to make effective their demands. Moreover, they are weak if they lack economic power, are unable to collectively withhold or withdraw goods or services demanded by other economic groups, in this case, an essential service such as water and sewer services. For this reason consumers' general interests in low utility rates are often far more effectively represented by producers organizations, that are not primarily consumers but whose costs are adversely affected by the rates or prices of the utility's services.

An almost idealistic assumption has arisen in Puerto Rico. Many persons actually demand that the government represent (fully) the public interest. This seems to the writer as an idealistic conception because of the lack of organized group constituency and probable lack of knowledge of the meaning of «public interests».

«The concept of the "public" has not seemed meaningful. What is often referred to as "the public" is really a great number of publics; each public is interested in some issues but is profoundly apathetic about others. Interest groups are organized about concrete issues and interest; they originate when a group of people recognize an "identity of interests", and are willing to organize or act in concert to promote or defend their interests... by attempting to shape public policy. When does an interest group succeed in shaping public policy? According to Gable, it is "when it is able to identify its conception of the needs of the moment with the prevailing or predominant attitudes or a number of prominent publics and when it has access to the major centers of policy decision in government. Access means opportunity, ability and skill in communicating with legislators and other persons in authority".»⁶

6. Lawrence M. Friedman and Stewart Macaulay. *Lew and the Behavioral Science* (New York: The Bobbs-Merrill Company, Inc., 1969), p. 609.

Does this mean that consumers demands may be better represented by lawyer-lobbyists? Such a practice may greatly impair the effective operation of representative democracy, which up to now, as the author sees it, has been effective. Also, it is possible that the A.S.A. officials and administrators resist such a kind of influence, making worse the relations between the A.S.A. and the community it serves.

Authority's autonomy and contractual obligations as controls

From the start the author has attempted to establish necessary relations in support of his assumption, viz., bondholders do regulate to a large extent the Authority's operation and administration. Significant controls of a contractual nature are imposed upon the Authority by bondholders and workers' unions. Incidentally, and to a lesser degree, some governmental agencies and other organizations do limit the activities of the Authority, exercising some kind of control.

The Authority's self-regulatory setting demands some sort of controls in order to have its conduct directed to conform to legal standards and contractual obligations. Perhaps, due to the serious considerations that a legislative mandate implies, Professor Eulalio Torres was led to state: «It would be improper, however, to characterize them (referring to the W.R.A. and A.S.A.) as completely autonomous bodies, since controls of a diverse nature have been imposed to insure their over-all conformance to legal standards and contractual obligations».⁷

In direct opposition to the above statement, the following may be argued: The A.S.A. Act is characterized by the inclusion of broad legal standards. Prescriptive commands are only a small portion of the Act. In no way are contracts prescribed by the A.S.A. Act. Because of the complexity of the interrelations and coordination inherent in the A.S.A. arrangements only those purposes which are basic, distinguishable, shared and, of a more or less permanent nature, can be secured by prescriptive commands or legal standards. Contracts are used by the parties to control their future actions. In such a way the parties make their law to govern their affairs. The A.S.A. Act offers the Authority conditions and facilities

7 Torres Eulalio. *Op. Cit.*, p. 9.

that are elastic to permit it a wide range of autonomously directed activity. The A.S.A.'s autonomous actions are mostly products of negotiations. Labor contracts, employer's contributions for the retirement of employees and, the funds needed to be paired with federal funds for the various projects undertaken in coordination with other agencies usually impose upon the Authority controls of a contractual nature.

Bondholders economic power and imbalance in contractual control actions

As soon as it became evident to the public that duplication of facilities was not only unnecessary, but involved losses to the community or to investors, municipalities in giving public-service corporations the right to do business imposed conditions of a much more stringent character than before. If corporations were to have a monopoly of the business, they should be compelled to give satisfactory service at reasonable rates. The very purpose of having commissions with discretionary powers over the public-service corporations made possible the determination of each aspect to be controlled on its own merits with regards to the established principles. The whole questions of the relation of public service corporations to the communities they served centered around regulation by state commissions.

Considering the above historical facts, many Puerto Ricans have described the present relations of the A.S.A. to the community it serves as those in which regulation is absent and characterized by the abuse of opportunities by private interests. Furthermore, they feel that bondholders, because of their economic power and unjustified desire to protect their investments impose severe contractual obligations upon the Authority. By this action, bondholders do control much of the activities of the Authority and the Authority subsidizes itself creating an imbalance in power. Consumers, at the lower end, feel themselves incapable of improving their situation. This seems to be the reason why consumers have demanded the intervention of the Puerto Rico Public Service Commission. Many persons have had in their minds the necessity of a public corporation control act by which their interests get the needed protection.

Puerto Rico has experienced about the same conditions that made necessary the creation of independent agencies of the type

named «commissions». Although a predominant difference exists in Puerto Rico as compared to the States, Puerto Rico has no autonomous public corporations control act. It has the Puerto Rico Public Service Commission's reluctance to act in matters that involve the activities of the «authorities».

The Puerto Rico Public Service Commission Act prescribes broad regulatory powers of the kind that rules the utilities relations in the United States. Its enabling act also provides that the public corporations «shall or shall not remain subject» to regulation by the Commission. Though the A.S.A. statute does not explicitly exempt the Authority from the Commission's regulations, the Commission has never acted against the Authority. In the words of Professor Eulalio Torres sound arguments have been presented to justify the Commission's reluctance to act against the Authority. The author of this article, though he accepts the aforementioned arguments as sound and logical explanations for the situation described, sees additional reasons that are related to the assumed promotional purpose of the A.S.A. Act.

A suggested reason for the Puerto Rico Public Service Commission's reluctance may be the furnishing of means for the attraction of capital. This may work in the following manner: Because the control of capitalization should be exercised through approval or disapproval by the Commission this aspect of the Authority's regulation by the Commission may affect bond sales fundamentally and, because of an excessive or undue regulation of the securities sold by the Authority will ultimately affect rates, a laissez faire philosophy has been practiced by the Commission. A desirable adjustment or balance among the parties interests has never been reached. The bondholders in their desire to protect their investments, have imposed unnecessary restrictive clauses on the Authority's operations and administration. Unnecessary, because due to the nature of the business of the utility, their investments are guaranteed to a safe level. Power and control have been deposited where they should not be.

Control may lie in the Governor who has the power to select and appoint the Board of Directors. The Board which supposedly acts under good faith and which represents the interests of consumers may be selected to direct the Authority's operations in such a way as to achieve its social ends. It takes professional judgement, experience, and knowledge of the consequences of specific decisions which may affect different parties interests. The absence of the

former attributes in the Board of Directors' members, as well as the terms served by them, may have its influence upon the result achieved. The reconciliation or harmonization of consumers', Authority's and investors' interests may present serious difficulties to the directors. True long-term interests, for which they may not be accountable, may not be recognized or considered. Immediate interests may seem more realistic and feasible to the directors because they may reflect upon their personal interests, though they are not directly accountable for the Authority's performance. Political aspirations may have some bearing on the directors' choice for immediate plans and results. Such conduct runs against the long-range planning and strategy formulation policy functions inherent to the nature of the Board of Directors.

In this paper, the author has expressed his feelings for the nature and number of protective clauses that bondholders have secured in their arrangements with the Authority. Also, as the proportion of the debt increases⁸ and the capacity of the authority to service its debts without default have made the author change his mind a little about the bondholders' investment protection. Because of the risk element consideration in the mind of the lenders (bondholders) and the higher interest rate and the protection expected as compensation for their increased risk, the necessity of their control on the Authority's operation and administration is imminent. Even a public utility can experience a shrinkage in earnings during a prolonged depression. A consideration may require a limitation on the proportion of securities bearing a fixed commitment to the investor.

Desirable standards of sound financial practice and for debt-equity proportions have proved to be necessary. The current financial status of Puerto Rican authorities, their need for further expansion and, their reliance on future bond issues call for limitations in their capital structures. A limitation on the debt may be expressed in terms of an appropriate earnings coverage, that is, in the extent to which earnings available for the payment of fixed charges should exceed the fixed charges. Though the trust agreement signed by the Authority specifies a limit of 150 %, the Authority has declared that for the fiscal year 1969 to 1970 the earnings

⁸ Readers are asked to see the *Puerto Rico Aqueduct and Sewer Authority Annual Report for 1969-70*, Sections on loans, earnings coverage and economic aids, pp 4-6.

coverage rose to 230 %. Further, it has declared (at that time, 1971) that during the past 17 years the earnings coverage has never been lower than 200 %. From this it can be implied that the service rates have been higher than they should have been.⁹

Quite interesting is the discovery of great similarities between American public-service corporations and Puerto Rican authorities. Though they present small differences in their frequency and reasons for their establishment their evolutionary process has been about the same. Puerto Rican authorities show about the same symptoms that made necessary the different statutes that limited federal corporate autonomy.

There are good reasons for stating that the Authority operations and administration is really not held to account by anybody except bondholders. Because most of the broad discretionary powers given to officials and administrators have served their purposes (promotional), more stringent measures are needed as controls in order to cope with present problems. A control act by which budgets, ordering of reports, account and audit matters, and issuance of bonds and investments in securities, other than the Authority's, and appraisals of the utility's operation may bring about better regulatory devices with which better results could be achieved. The former has been in practice in the States, where commissions, though of relatively recent development, had demonstrated their expertness. The federal government had found that authorities demand coordination and supervision by government, if they are to operate as expected by the public interest.

Conservatism in bond issues often has led the A.S.A. to draw up financial schemes which have become too narrow and too rigid. This is so because of the desire of bondholders to have an issue as strong and safe as possible. Many of the issues have been limited in total amount authorized to a figure which later proved to be entirely inadequate for the needs of the Authority. Authorizing an issue large enough to take care of all legitimate future needs of the company, but limiting the actual issue of bonds in such a way as to keep the debt reasonable compared with the value of the property will enable the A.S.A. to finance on a satisfactory basis. This way of financing may make the loan secure, extensions of plant and service may be made, and at the same time investors' protection for their investments will be afforded. Better market facilities

⁹ *Ibid.*

and financial efficiency will be made possible by a wiser attitude and effective direction of the autonomy in bond contracts. Control may only shift from the bondholders possession to the Authority's hands by better bargaining efforts between the A.S.A. and the trustees, who represent the investors' interests, and under a more effective supervision and regulation by government as a part of the coordinative, organizational and regulatory setting of the Authority.

Conclusions and recommendations

To insist on saying that the A.S.A. regulates itself and to refuse the fact that bondholders do control essential aspects of the Authority's operation and administration is not an easy task. The latter may be solved (or the difficulty increased) if an attempt is made to define, or at least, to get evidence or indications of what was the legislators's intention in drafting the A.S.A. Act. The Authority on some occasions and in some aspects appears to be the party in control. In other instances it is the regulated party. The latter may be settled down if an appropriate answer may be given to the following question: Was the discretionary power in the A.S.A. Act purposely delegated to promote, direct and control all matters related to the business of the Authority?

Many persons have held that such a delegation is equivalent to the legislators' abdication of their functions as assigned to them by the Constitution. No matter what was the legislators' intention, the bondholders do control key aspects of the utility's undertakings without due consideration of the fact that the protection of their investments may be guaranteed by the interactions of some conditions of the state of nature on which the Authority operates. The size, character of the community and population served and, the diversity of their interests, as well as the attitude toward the Authority are leading considerations governing the safety of the bond issues. The relation of the debt to the value of the property, the control of the business through the rates (fixed by the Authority) and the large earnings capacity added to managerial efficiency may also modify the safety of the Authority's bonds.

Legislative and executive controls which may effectively guide the Authority's operation and administration in response to public expectations are actually needed. Regulations approval by the

executive branch, though not frequently used, has resulted in an effective means to check the functions of some agencies, e.g., the Puerto Rico Public Service Commission Act. Article IV (13) provides for the approval of decisions and regulations by the Governor.

A more effective way of control exercisable by the Governor, of possible use or application to the Authority's Board of Directors', which mostly are Cabinetmembers, is their destitution when their actions as board members do not conform to the expected performance. Before this control measure is possible or used, the Board of Directors should have specific tasks assigned and must be accountable to some persons or body in order to have responsibilities exacted from them. It is known that the Governor may show cause, hold a hearing and have the person tried, no matter if he held a position after being confirmed by the Senate.

The Governor may also use appropriations as a control device. After having studied the estimates sent by the different agencies and before his model budget is sent to the Legislature, he may effect the necessary changes in the funds assigned to the Authority. In such a way if the monies appropriated for the utility prove to be inadequate, officials and administrators may tend to justify their necessity for additional funds. Better information, communication and accountability may result from this process.

Two other alternatives are open as possible ways for controls upon the Authority. One of these, reorganization of the utility has been started. Lately, an executive order was issued by which a function of the Authority was transferred to the Public Works Department. Other functions were assigned to the Environmental Quality Board. Irrespective of the controls and changes made, it is the author's opinion that the most transcendental and effective way of reconciling or harmonizing the Authority's functions with its corresponding accountability to the public and the investors' interests may be possible through new legislation. If the promotional end was in the mind of the legislators when drafting the A.S.A. Act in order to provide the means for the utility's development and growth, they (legislators) may have to evaluate the A.S.A. Act in its present context and decide for more effective controls.

Subdelegation of the Executive powers which needs special enactment or legislation for a control act upon the Authority's key aspects subjects of control and actually controlled by the bondholders, may in the long run prove to be the solution to the A.S.A.'s and other authorities control problems.

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