



## APPEARANCES

P. MILLER	Commission Counsel
C. BYSTROM	Insurance Corporation of British Columbia (ICBC)
M. SEABORN K. FEENEY	British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and Tenant Resource and Advisory Centre (BCOAPO)
F.J. WEISBERG	Toward Responsible Educated Attentive Driving (TREAD)
L. WORTH S. QUAIL	Movement of United Professionals (MoveUp)

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**CAARS**

**VANCOUVER, B.C.**

**October 28<sup>th</sup>, 2016**

**(PROCEEDINGS COMMENCED AT 9:00 A.M.)**

THE CHAIRPERSON: Please be seated.

Good morning, ladies and gentlemen. My name is Dennis Cote and I've been designated Chair of this Panel, which has been assigned to hear the 2016 Insurance Corporation of British Columbia, otherwise known as ICBC, revenue requirements application.

Welcome to this morning's proceeding to consider various procedural matters related to this application.

With me today is Bernie Magnan on my left. We also have a third panel member, Mr. Richard Mason. Unfortunately he is unable to join us today due to other commitments.

Also in attendance today are Commission counsel, Mr. Paul Miller, from Boughton Law Corporation; our Commission lead staff, Mr. Leon Cheung, who has been joined by Alison Thorson from the Commission, and our Hearing Officer, Mr. Hal Bemister.

As you're aware, the jurisdiction of the Commission with respect to the regulation of ICBC's revenue requirements is restricted by legislation to basic insurance and the Commission has no jurisdiction

1 over ICBC's optional insurance business. So the ICBC  
2 2016 revenue requirements application is seeking a  
3 basic rate increase of 4.9 percent for the policy year  
4 commencing November the 1<sup>st</sup>, 2016. ICBC's request for  
5 this increase to be approved by the Commission on an  
6 interim basis, for new and renewal policies with an  
7 effective date on or after November the 1<sup>st</sup>, 2016 was  
8 granted earlier.

9 To date, there has been one round of  
10 Information Requests and responses, which just came  
11 out recently.

12 Now, by letter of October the 20<sup>th</sup>, 2016,  
13 the Commission outlined the issues or items that the  
14 parties are to address at this procedural conference.  
15 First of these was process options for review of the  
16 application. These include but are not limited to a  
17 written hearing, an oral hearing, or some combination  
18 of both.

19 Second item was the regulatory timetable.  
20 Now, Commission staff have prepared a draft which was  
21 attached to the letter laying out some regulatory  
22 timelines covering a number of possible process  
23 options and the timelines related to them. I want to  
24 point out these are not meant to be specific, and are  
25 not driven by -- or are hard in stone. They're  
26 actually intended to be helpful to both the

1           interveners and the applicant, in advance of making  
2           any submissions that you do today.

3                       The third item is whether interveners  
4           intend to submit evidence. Intervenors are asked if  
5           they are, to describe the nature of this evidence when  
6           making their submissions.

7                       And the fourth item is any other matters  
8           that may assist in the efficient review of this  
9           application.

10                      In addition, there were intervenors who  
11           were unable to attend, were invited to make written  
12           submissions. Two intervenors, Mr. Richard Langdale  
13           and Mr. Richard McCandless, have made written  
14           submissions. The letter also advised that  
15           Commissioner Mason would not be available to attend  
16           due to a scheduling availability, and there are no  
17           suitable alternative dates where the full panel could  
18           attend. I'd like to reaffirm that because of this,  
19           the procedural conference will deal with procedural  
20           matters only; substantive matters will not be  
21           discussed.

22                      If an issue that is substantive does arise,  
23           we may require the parties to address these as written  
24           submissions following the procedural conference. And  
25           not to sound too much like Donald Trump, but I  
26           apologize if this has caused any problems for people.



1 Ghikas, will be handling this process going forward,  
2 but he wasn't able to attend today. His last name is  
3 spelled, by the way, G-H-I-K-A-S.

4 And I'd like to introduce a few folks from  
5 ICBC that are here with me today. Bill Carpenter here  
6 two to my right is Chief Financial Officer and Chief  
7 Actuary. And beside Bill is Nicolas Jimenez, Vice  
8 President Insurance Strategy Product and Pricing. And  
9 behind me is Aimers, Director Pricing and Regulatory  
10 Affairs. And finally on my right is June Elder,  
11 Manager Regulatory Affairs. And I have no issues to  
12 add to the list.

13 THE CHAIRPERSON: Thank you, Mr. Bystrom.

14 MR. MILLER: British Columbia Old Age Pensioners'  
15 Organization et al?

16 MR. SEABORN: Good morning, Commissioners. My name is  
17 Michael Seaborn, S-E-A-B-O-R-N, and with me today is  
18 fellow staff lawyer at the BC Public Interest Advocacy  
19 Centre who will join me for this application, Keith  
20 Feeney, that is F-E-E-N-E-Y.

21 The BC Public Interest Advocacy Centre  
22 continues to represent, as it has in similar  
23 proceedings for many years, the British Columbia Old  
24 Age Pensioners' Organization, Active Support Against  
25 Poverty, Disability Alliance B.C., Council of Senior  
26 Citizens' Organizations of B.C., and the Tenant

1 Resource and Advisory Centre. Collectively this  
2 group, these groups are known in the regulatory  
3 process as BCOAPO. These constituent groups represent  
4 the interests of the low and fixed income consumers  
5 within British Columbia, and more specifically in this  
6 province the interest of ICBC's low and fixed rate --  
7 fixed income rate payers.

8 I should note we don't have any additions  
9 to the agenda, but speaking to the matters you've  
10 identified and were identified in the October 20<sup>th</sup>  
11 letter, we are of the view that for this year's  
12 application a written hearing --

13 THE CHAIRPERSON: We are going to start with ICBC and  
14 then you follow up again. This is just appearances,  
15 yes.

16 MR. SEABORN: Just introductions. Thank you.

17 MR. MILLER: Toward Responsible Educated Attentive  
18 Driving?

19 MR. WEISBERG: Good morning, Commissioners, my name is  
20 Fred Weisberg. Weisberg is W-E-I-S-B-E-R-G. I am  
21 appearing as counsel on behalf of Toward Responsible  
22 Educated Attentive Driving. As the name suggests,  
23 that is a ratepayer group that is concerned about  
24 improving driving behavior in B.C. overall, providing  
25 better rates for better drivers, and as part of that,  
26 participating in this RRA proceeding to seek lower

1 rates overall.

2 Mr. Chair, I do have some preliminary  
3 observations that I believe are necessary to put  
4 context or clarity on the matters that follow. I am  
5 content to return to the microphone after appearances  
6 are complete, but I do feel that because the response  
7 to my comments may inform submissions from at least  
8 other interveners if not ICBC, that I would like to  
9 address those first.

10 So, to give you some -- would you like some  
11 flavour of what that is?

12 THE CHAIRPERSON: I think if you give me the subject  
13 matter, and yeah, I would like them to be made in  
14 order of your appearance later.

15 MR. WEISBERG: Certainly, the first one is simply in  
16 asking parties to comment on the process options, and  
17 looking in particular at the suggestion or suggestions  
18 made in the table provided by staff. There are two  
19 timetabled columns under option B oral hearing.

20 THE CHAIRPERSON: Mm-hmm.

21 **Proceeding Time 9:09 a.m. T04**

22 MR. WEISBERG: I'm not clear myself what assumptions go  
23 into those two different timetables. There appears to  
24 be something at play. I thought that it was  
25 intervener evidence, but the way it's written it  
26 suggests that there could be intervener evidence in

1           either case. Do you follow me?

2 THE CHAIRPERSON: I think so, and I think if you make --  
3 when it comes around to your turn to speak and make  
4 submissions, if you make --

5 MR. WEISBERG: Well, the --

6 THE CHAIRPERSON: -- in clear terms what your concern is,  
7 we'll do our very best to try and reach a decision on  
8 this how to best deal with that.

9 MR. WEISBERG: Okay. The problem I see, though, Mr.  
10 Chair, is that if I don't understand that, and perhaps  
11 others don't, when we have our turn at the mike to  
12 talk about which option and therefore which timetable  
13 we prefer, we of course need to understand the basis  
14 for that timetable before we can make a principled  
15 choice of which timetable is more suitable.

16 THE CHAIRPERSON: All right. Excuse me one moment.

17                           You were going to say something, Mr.  
18 Bystrom?

19 MR. BYSTROM: Only that the schedule looks clear to me,  
20 and I am confused as to why Mr. Weisberg can't address  
21 this in his principle submission.

22 THE CHAIRPERSON: I find myself in the same boat.  
23 Without going into your position on them -- let me  
24 just find the documents.

25 MR. WEISBERG: Yeah.

26 THE CHAIRPERSON: Without going into your position on

1           them, could you just outline what confusion you're  
2           having with it?

3 MR. WEISBERG:     Sure.

4 THE CHAIRPERSON:   And just outline what the problem is,  
5           not necessarily what you see as being solutions, if  
6           you would.

7 MR. WEISBERG:     Absolutely.  So for example on the fourth  
8           action item, "Intervener evidence" and then  
9           parenthetically "(if any)", so then if you look under  
10          option A there is a date for that.

11 THE CHAIRPERSON:   Yes.

12 MR. WEISBERG:     Under option B, there is two columns and  
13          one is November 22<sup>nd</sup> and the other is January 9<sup>th</sup>.

14 THE CHAIRPERSON:   Yes.

15 MR. WEISBERG:     But I'm not clear, is it just a choice of  
16          those two?  Or is there some principled basis for why  
17          one path --

18 MR. MILLER:       One has IR, one doesn't.

19 THE CHAIRPERSON:   Yes, I know that.

20                     Okay.  Do you understand that?

21 MR. WEISBERG:     I do, and that's all I was looking for, so  
22          --

23 THE CHAIRPERSON:   I'm sorry, we didn't go out to try to  
24          confuse you.

25 MR. WEISBERG:     I didn't try to be confused, but I was  
26          nonetheless, so --

1 THE CHAIRPERSON: Yes.

2 MR. WEISBERG: Okay. The other thing, Mr. Chair, is the  
3 apparent prohibition on addressing any substantive  
4 matters today. I do, I believe, understand the  
5 concern that the Panel has that Commissioner Mason  
6 isn't here to hear those. The difficulty I have,  
7 though, is in making submissions on what the proper  
8 process option is, it seems to me that we inevitably  
9 have to go into some matters of substance.

10 So for example, and I don't want to make my  
11 submissions now, unless you --

12 THE CHAIRPERSON: Why don't you -- you've got submissions  
13 with that ruling --

14 MR. WEISBERG: Okay.

15 THE CHAIRPERSON: And when you come back, please.

16 MR. WEISBERG: So for example, among the process options  
17 --

18 THE CHAIRPERSON: No, what I'm saying is, when you come  
19 back --

20 MR. WEISBERG: When I come back.

21 THE CHAIRPERSON: -- you can make them at that time.

22 MR. WEISBERG: Thank you, okay. I guess I'll deal with  
23 my other submissions then in one piece, then.

24 THE CHAIRPERSON: Thank you, Mr. Weisberg.

25 MR. WEISBERG: Thank you.

26 MR. MILLER: Movement of United Professionals.

1 MS. WORTH: Good morning, Mr. Chair, members -- member of  
2 the panel. My name is Leigha Worth, W-O-R-T-H, and  
3 I'm accompanied today by my colleague, Ms. Suzanna  
4 Quail, and her last name is spelled Q-U-A-I-L.

5 We're here representing the Movement of  
6 United Professionals, also known as COPE 378, and that  
7 is the union -- the certified bargaining agent for the  
8 majority of the insurer's inside workers. So their  
9 office -- their customer service and other workers.

10 We don't have any issues to add to the  
11 agenda today and we're content to proceed as you've  
12 outlined in your opening statement.

13 THE CHAIRPERSON: Thanks, Ms. Worth.

14 MS. WORTH: Thank you.

15 **Proceeding Time 9:44 a.m. T5**

16 MR. MILLER: Mr. Chair, that concludes the order of  
17 appearances. I should alert you that staff does have  
18 some submissions on process, so after MoveUp, staff  
19 will have comments.

20 THE CHAIRPERSON: Thank you, Mr. Miller.

21 Mr. Bystrom?

22 **SUBMISSIONS BY MR. BYSTROM:**

23 MR. BYSTROM: Good morning again. Let me start by saying  
24 that ICBC favours a process that is efficient,  
25 proportionate and focused on the material issues in  
26 this proceeding. And in the current context, we

1 believe that speaks to having a written process, and  
2 we would therefore support option A of the Commission  
3 Staff's draft regulatory timetable options, except  
4 that we submit that additional round of IRs is not  
5 necessarily required.

6 And to be helpful here and make it clear  
7 what a written process would look like with one round  
8 of IRs, I have prepared a table with an outline of the  
9 process, actions and dates. I have circulated that,  
10 and I believe Hearing Officer has copies that he could  
11 pass up to the Commission Chair and Commission member  
12 at this time.

13 And if that could be marked as Exhibit B-4,  
14 THE HEARING OFFICER: Exhibit B-4.

15 (ICBC'S PROPOSED WRITTEN PROCESS OPTION, MARKED  
16 EXHIBIT B-4)

17 MR. BYSTROM: Now, I think there are three broad reasons  
18 why a written process of this nature is appropriate  
19 for this proceeding. So, I'll just spend some time on  
20 each of those.

21 The first reason supporting a written  
22 process relates to the regulatory framework applicable  
23 to ICBC's basic insurance. ICBC is unique among the  
24 entities regulated by the Commission in several  
25 respects. I submit that these differences should be  
26 recognized and the process applied and review of this

1 application. And these differences include six items  
2 which I just quickly review.

3 First, ICBC is not a utility. Notably  
4 ICBC's operating expenses are only a small portion of  
5 the costs of basic insurance. And this year, after  
6 several years of fiscal restraint, ICBC's operating  
7 costs in fact are not contributing to the requested  
8 rate increase. They have in fact favourable impact of  
9 .4 percentage points on the policy year rate  
10 indication.

11 The second feature is that the rate  
12 indication is driven by and large by expected loss  
13 costs, that are forecasted by actuaries who must  
14 adhere to professional standards of accepted actuarial  
15 practice that require unbiased best estimates. Under  
16 Special Direction IC2, section 3(1)(c) rates must be  
17 fixed in accordance with accepted actual practice.

18 Third, even in circumstances where actual  
19 best estimates turn out to be incorrect, basic  
20 insurance is a closed system. Favourable variances,  
21 if any, stay in the system to be credited to future  
22 rates. They are not extracted as shareholder profits  
23 as they may be for a utility.

24 Fourth, the Commission is operating within  
25 a rate change ban established by Section 3(1.1) of  
26 Special Direction IC2. With last year's approved rate

1 change being 5.5 percent, the Special Direction  
2 dictates that the rate change for this year can be no  
3 more than 7 percent, and no less than 4 percent.

4 And just for reference, a copy of Special  
5 Direction IC2 has been provided in ICBC's response to  
6 2016.1 RR BCUC 1.1.

7 Fifth, while the amount of basic capital  
8 retained by ICBC can impact basic rates, the terms of  
9 the basic capital re-management plan are dictated by  
10 section 3(1)(e) to (f) of Special Direction IC2.

11 Sixth and finally, section 3(1)(a) of  
12 Special Direction IC2 requires that ICBC file its  
13 revenue requirements on an annual basis. The result  
14 is that ICBC is before the Commission regularly and  
15 frequently.

16 **Proceeding Time 9:18 a.m. T06**

17 So in sum, as a result of the regulatory  
18 framework for basic rates, the rate indication  
19 ultimately approved by the Commission cannot be  
20 significantly different from what has been proposed.

21 In my view, the regulatory process should  
22 be proportionate to the decision before the Commission  
23 and, with this in mind, the constraints in place due  
24 to the regulatory framework favour a written process.

25 The second reason supporting a written  
26 process is that it is a proven and effective process.

1       The opportunity for Information Requests, intervener  
2       evidence and argument in writing, provides an  
3       effective mechanism for the Commission and interveners  
4       to test the application and the Commission routinely,  
5       as you know, hears matters in writing only. And such  
6       processes have been proven to be effective in a  
7       variety of cases.

8               And a written hearing is particularly  
9       effective where the information sought is quantitative  
10      in nature, as is the case in this proceeding. And  
11      this goes to, again, the fact that rates must be set  
12      according to actual practices -- actuarial practices.

13             And in this case, as indicated in the  
14      outline I've passed around, we do not see the need for  
15      a second round of Information Requests. The key  
16      drivers of the rate indication are limited in number,  
17      and while you need not turn to it now, I refer you to  
18      Figure 2.3 on page 2-5 of the application, which has  
19      the drivers of the rate indication. The drivers are  
20      primarily the actuarial estimates of the loss costs  
21      and bodily injury costs in particular.

22             So in our view the first round of  
23      Information Requests has already resulted in a  
24      thorough evidentiary record. The Commission and the  
25      interveners in this proceeding had asked numerous  
26      questions, and ICBC has provided detailed and thorough

1 responses. The cost drivers are well canvassed at  
2 this point. So in our estimation, given the  
3 regulatory framework, further Information Requests are  
4 not likely to materially change the outcome in this  
5 proceeding.

6 And while there is always more information  
7 that can be requested, in the interests of regulatory  
8 efficiency and proportionality, we would suggest that  
9 further Information Requests are not required.

10 The third and final reason that I'd like to  
11 highlight for a written proceeding is cost and  
12 efficiency. A written proceeding is not only an  
13 effective review process but an efficient one. The  
14 alternative of holding an oral hearing would  
15 significantly increase the costs and resources  
16 required to review this application.

17 The increased costs of an oral hearing are  
18 apparent from the response to 2016.1 RR Tread.19.1.  
19 In that response ICBC provided the costs of the last  
20 three revenue requirement proceedings. As seen there,  
21 the cost of the oral hearing in 2013 cost  
22 approximately twice as much as the written proceeding  
23 last year. So in my submission the current  
24 application does not warrant the extra costs and  
25 resources given the alternative of an effective  
26 written process.

1                   So that outlines my reasons for favouring a  
2 written process. I would like to make some brief  
3 submissions on what the process would look like if the  
4 Commission determines that an oral hearing is  
5 required.

6                   So if the Commission deems that an oral  
7 hearing is necessary, I would submit two things.  
8 First, a second round of IRs should not also be  
9 required; and second, the scope of that oral process  
10 should be confined to specific issues.

11                   Now, to Mr. Weisberg's point, in the draft  
12 regulatory options there are two oral hearing options,  
13 and perhaps it would be a good convention to label the  
14 first B-1, and the second B-2. And then that might be  
15 helpful.

16                   But to my first point on if an oral hearing  
17 is deemed necessary, we are in favour of the first  
18 oral hearing option, which I might call B-1, rather  
19 than the second one, B-2. And so for the reasons I  
20 have already discussed, the process of both an  
21 additional round of IRs and an oral hearing is  
22 unnecessary and, in my submission, disproportionate to  
23 the issues before the Commission in this application.

24                   **Proceeding Time 9:23 a.m. T7**

25                   In addition, an oral process with two  
26 rounds of IRs would take much more time. As shown in

1 the draft regulatory timetable options, the scheduling  
2 for oral hearing option B-2 would result in ICBC's  
3 reply argument being filed on Monday, April 24<sup>th</sup>, 2017,  
4 and we would estimate that a decision would not likely  
5 to be issued until sometime in June in that case. And  
6 that would result in leaving very little time for the  
7 actuarial analysis for ICBC's next revenue  
8 requirement, which as I have noted is required to be  
9 filed annually.

10 So, on the second point, if an oral hearing  
11 is deemed necessary, we do believe that the scope of  
12 that hearing should be narrowed. I am aware that  
13 scoping decisions aren't in the scope of this  
14 procedural conference, and I won't speak to that here.  
15 So I would just submit that if in the case the  
16 Commission orders an oral hearing, that the Commission  
17 have a written comment process afterwards on the scope  
18 of that hearing. And I believe that would be a  
19 relatively quick and easy way to determine that issue.

20 So, in conclusion, ICBC believes that a  
21 written process with a single round of information  
22 requests is sufficient in this case, and we will  
23 address any matters raised by interveners in reply.  
24 Thank you.

25 THE CHAIRPERSON: Thank you, Mr. Bystrom. And I think we  
26 will take Mr. Bystrom's suggestion and refer to the

1 two orals as B-1 and B-2, that makes perfect good  
2 sense to me.

3 Mr. Seaborn?

4 **SUBMISSIONS BY MR. SEABORN:**

5 MR. SEABORN: Commissioners. BCOAPO, we are of the view  
6 that this year's application can be achieved by a  
7 written hearing process provided that there is an  
8 opportunity for a second round of information  
9 requests. We see the second round of information  
10 requests as necessary for the purposes of  
11 clarification in some instances. We see some further  
12 exploration arising from the answers provided in the  
13 first round, as being potentially fruitful, and we  
14 also want to make sure that there is a complete record  
15 for this hearing process and we see that as all the  
16 more important if there is not to be an oral process.

17 All that said, if there are others who are  
18 seeking a full or partial oral hearing, we would not  
19 oppose that.

20 The possible regulatory timetable set out  
21 in appendix A of the October 20<sup>th</sup> letter, in regards to  
22 the fully written option works as far as we are  
23 concerned. We have also canvassed that with the  
24 consultant who will be working with. So, that would  
25 work from our end. The one caveat is that if it turns  
26 out that there is no intervener evidence, we would be

1 open to a draft revised timetable from the Commission  
2 essentially rolling back the process provided that  
3 there wasn't a compression of the remaining components  
4 of the hearing.

5 We do not intend to submit evidence. You  
6 invited the parties to comment on other matters that  
7 will assist in the efficient review of the  
8 application. We are mindful that today's conference,  
9 in light of the absence of one panel member, is not  
10 intended to deal with substantive matters, but we  
11 think it fits within that somewhat fettered mandate,  
12 and is also, helpful if we at least generally identify  
13 the issues that we see we're going to address.

14 First and foremost, as is always the case  
15 for us, the impact on our clients of the proposed 4.9  
16 percent increase in basic insurance; question of the  
17 sustainability over the medium to long-term of the  
18 basic insurance program. The loss cost variance from  
19 forecast. The bodily injury and the property damage  
20 trends. The claims transformation project. At least  
21 some of the performance metrics. And finally looking  
22 at some matters in the general areas of road safety  
23 and fraud.

24 Subject to any questions, those are our  
25 submissions.

26 **Proceeding Time 9:27 a.m. T08**

1 THE CHAIRPERSON: Any questions? Thank you, Mr. Seaborn.  
2 Mr. Weisberg.

3 **SUBMISSIONS BY MR. WEISBERG:**

4 MR. WEISBERG: Mr. Chairman, I had indicated to you that  
5 I had some concerns I wanted to address about the  
6 prohibition in the Commission's letter regarding  
7 substantive matters. Mr. Bystrom before me has, I  
8 think, illustrated the point in terms of addressing  
9 procedural questions. One needs to make reference to  
10 substantive matters, as he did.

11 So in, for example, justifying ICBC's  
12 position about why a written proceeding would be  
13 preferable, he made specific reference to Special  
14 Direction IC2, which I think is completely  
15 appropriate. But I think it gets into -- that  
16 certainly is a substantive matter. And if that is  
17 going to be seen by the Commission as justification  
18 for ICBC's position on a procedural point, then that  
19 doesn't accord well with the direction that was  
20 provided in the Commission's letter A-7.

21 I have spoken to Commission counsel very  
22 briefly on the point. I understand from him that  
23 perhaps that wasn't stated as clearly as it might have  
24 been. I'm going to leave it at that, and I will leave  
25 it to you, sir, to guide me if you feel I am straying  
26 into substantive matters that you don't wish me to go.

1 But there certainly is some inconsistency between A-7  
2 and how we need to proceed today.

3 THE CHAIRPERSON: I will do my best to assist you.

4 MR. WEISBERG: Pardon me?

5 THE CHAIRPERSON: I will do my best to assist you on  
6 this.

7 MR. WEISBERG: Please do.

8 So, regarding the four topic areas that you  
9 wanted parties to address, the first one of those is  
10 the preferred process option. TREAD has a very strong  
11 preference for one of the option Bs. I think that our  
12 -- where we'll land, I believe, is going to be on the  
13 B-1. I'm going to come back to the point of  
14 intervener evidence later.

15 In terms of why it should be an oral  
16 hearing, and not a written hearing, Mr. Bystrom before  
17 me has made some comments and I want to address some  
18 of those.

19 In describing one of the reasons, the  
20 regulatory framework applicable to basic insurance, he  
21 noted that ICBC is not a utility. That of course is  
22 true. But that doesn't change the fact that until  
23 legislation changes, ICBC is subject to oversight by  
24 this Commission. And the fact that it's a utility or  
25 not is of no consequence in that regard.

26 Whether operating costs contribute

1 significantly or at all to rate increases is something  
2 that I believe can be dealt with in a scoping decision  
3 by the Panel, with regard to both the second round of  
4 IRs that we would support and to the scope, of course,  
5 of an oral hearing.

6 Mr. Bystrom also noted that the  
7 Commission's discretion over approved rate increase  
8 this year is limited by the band set by Special  
9 Direction IC2, that it be no more than 7 percent and  
10 no less than 4 percent. That, of course, is true, we  
11 agree with that. But that is hardly a reason to go  
12 with a written proceeding and not an oral hearing.  
13 And one of the -- as part of the background for that  
14 statement

15 **Proceeding Time 9:32 a.m. T9**

16 And one of the -- as part of the background  
17 for that statement is that I don't believe that the  
18 public has been adequately given notice of the effect  
19 of that band, and more importantly that what is  
20 determined in this proceeding this year, for example  
21 if the applied for 4.9 percent rate increase was  
22 approved, that will and must result in unavoidable  
23 rate increases for at least three years.

24 In 2017 it has to be at least 3.4. In 2018  
25 it has to be at least 1.9. In 2019 at least .4  
26 percent. And it is not until 2020 that it's even

1 possible then, if 4.9 is approved this year, that  
2 rates could be flat or even modestly decrease.

3 The problem with that is that when you add  
4 up the mandatory rate increases that come as a direct  
5 and inescapable impact of this Panel's decision this  
6 year, that adds up to 5.7 percent in increases. In  
7 rate increase. The 5.7 is 3.4, 1.9 and the .4 that  
8 follow because of the effect of the band over the next  
9 three years.

10 So that 5.7 is higher than the 4.9 percent  
11 increase that is indicated at the outset of the  
12 application, but most importantly it is higher and it  
13 is separate from, and in addition to, the rate  
14 increase that's indicated in ICBC's press release  
15 specifically on this rate application. That's the  
16 primary communication to the public from ICBC about  
17 what this proceeding and their application is about.  
18 And just as importantly, the public notice that the  
19 Commission ordered, I believe that was sent out in --  
20 with Exhibit A-2 -- do I have that number right? Yes.  
21 That public notice says,

22 "ICBC is seeking approval of a 4.9 percent  
23 rate increase as of November 1, 2016."

24 But it makes no mention of the 5.9 percent that must  
25 follow, and that's not an if. Unless the legislation  
26 changes, unless the Special Direction changes, and

1           that is a contingent possibility, there will be  
2           another 5.9 percent rate increase that will come from  
3           this decision.

4                        So when public notice is given to  
5           interveners, or more importantly potential  
6           interveners, about what interests of yours does this  
7           impact? To say that it's 4.9 percent when there is  
8           another 5.7 percent that must come if the 4.9 is  
9           approved, doesn't give potential interveners the  
10          information they need to take part. They don't know  
11          what interests of theirs are at risk.

12                      Mr. Bystrom pointed out that the rate  
13          increase can't be significantly different than  
14          proposed. That is true, with the limits on the  
15          discretion of the Commission that have been placed by  
16          Government and specifically by IC2. But it is  
17          important that the public understand, and I contend  
18          that they don't, why there is that limit, and what the  
19          effect of that limit is. And I see no reason why that  
20          cannot and should not be included in a public notice  
21          both from the Commission and from ICBC through a press  
22          release.

23                      Now, given the --

24    **Proceeding Time 9:37 a.m. T10**

25          THE CHAIRPERSON:    I think I kind of see where you're  
26          going. Could this be done in a written form and was a

1 suggestion -- if I'm anticipating that you're going to  
2 ask us to rule that they should send out another press  
3 release correcting this information, providing more  
4 wholesome information. Am I correct there?

5 MR. WEISBERG: I think actually for this year, sir, the  
6 cow is out of the barn. That would delay the process.  
7 I think it would be good, I think it would be the  
8 right thing to do, but I think it's very much too late  
9 in the process. So that's not what I'm thinking.

10 What I am building up to, though, sir, is  
11 to come back to a need for an oral hearing and that --  
12 maybe it's not practical now to go back and issue a  
13 new press release and a new public notice and say "Hey  
14 public, this is what's actually at stake here. It's  
15 more than double what you might have assumed from  
16 reading this public notice."

17 But if you have a public oral hearing, that  
18 at least provides the potential for more access, more  
19 attention and more customer understanding and perhaps  
20 customer acceptance on that point. Why is it that the  
21 Commission doesn't have much room to move in terms of  
22 the rate increase that it's permitted to approve. The  
23 public should know, and that should be clear. And so  
24 should coming impacts. So that's my point.

25 So rather than saying that the solution  
26 then is to stop everything and issue a new public

1 notice, I'm saying that's a factor that weighs in  
2 favour of having an oral hearing.

3 THE CHAIRPERSON: Of an oral hearing.

4 MR. WEISBERG: One moment, sorry, I need a glass of  
5 water. Thanks.

6 I'm staying with My Bystrom's comments for  
7 a moment. His second point was that a written process  
8 is proven effective. Under that heading he included a  
9 submission that there's no need for a second round of  
10 IRs. I don't quibble that a written process has been  
11 proven effective for use by the Commission in many  
12 instances. But exactly the same is true for oral  
13 process, have been proven effective time and again for  
14 the Commission.

15 It's a matter of balancing things and I  
16 think, as I'll address later in my submissions, that  
17 the key for the Panel to focus here is what is the  
18 appropriate scope of an oral hearing, not whether one  
19 should be conducted or not.

20 In terms of no need for a second round of  
21 IRs, I think if a written process is selected by the  
22 Panel, that increases the need and the appropriateness  
23 of a second round of IRs. And again, concerns about  
24 that can be dealt with in terms of rulings on scope,  
25 and particularly what I have in mind there is Mr.  
26 Bystrom and ICBC are certainly live to the parameters



1                   Mr. Bystrom also noted that if there is an  
2 oral hearing, that there should not be a second round  
3 of IRs. As I already noted, that can and should be  
4 dealt with in terms of a scoping decision. And my  
5 suggestion there, since it gets into substantive  
6 matters, and following the approach that the  
7 Commission has identified in A-7, after this  
8 proceeding today there could be -- or after, I  
9 suppose, after a decision, I'm not sure which comes  
10 first. But certainly if the Commission Panel sought  
11 to be informed by parties about their own ideas of  
12 what the scope could be, there is a process available  
13 to you to obtain those comments. And therefore set  
14 some parameters on a second round of IRs, so that it's  
15 not completely wide open. And guidance, I think, that  
16 would be most helpful from the Commission would be  
17 summarizing where there is room for the Commission to  
18 act and offer direction, and provide an impact, in  
19 terms of ICBC. And have parties comment then on where  
20 that leaves us in terms of an appropriate scope for a  
21 second round of IRs, so that it's not completely wide  
22 open.

23 THE CHAIRPERSON: Mr. Weisberg?

24 MR. WEISBERG: Yes.

25 THE CHAIRPERSON: Looking at all -- there is a process  
26 that Mr. Bystrom suggested is something along those

1 lines. Would that be acceptable for you?

2 MR. WEISBERG: If Mr. Bystrom suggested the scope?

3 THE CHAIRPERSON: Yes -- no. Well, in terms of dealing  
4 with scope issues. In terms of asking for submissions  
5 on scope, for either an oral hearing or potentially, I  
6 guess, that could also apply to a second round of IRs.

7 MR. WEISBERG: Sorry, can you repeat your question?

8 THE CHAIRPERSON: Essentially Mr. Bystrom, by my  
9 recollection -- I don't have the words here, but he  
10 suggested that we ask for submissions on what the  
11 scope will be. And if we go ahead with -- I believe  
12 it was an oral hearing he was referring to, and that  
13 could also apply to a second round of IRs as well.  
14 I'm just wondering if the Commission was to do that,  
15 that would satisfy your concerns on what you believe  
16 your requirements are?

17 MR. WEISBERG: That would, sir, and I appreciate that you  
18 clarified that with me. So, indeed, Mr. Bystrom did  
19 -- I understood him to say that there would be a  
20 written comment period regarding the scope of an oral  
21 hearing, if that was the Commission's --

22 THE CHAIRPERSON: Yes. But I mean, that's the same  
23 thing.

24 MR. WEISBERG: But certainly I think that a scoping  
25 decision that applies to the IRs logically follows  
26 through to the oral hearing, and the same is true if



1           that public education function. It doesn't need to be  
2           every detail of the application, but it certainly  
3           needs to be this, 4.9 percent is this year, and 5.7  
4           percent, if we approve the 4.9, must come. And that  
5           will come out of your wallet, ICBC customer. And  
6           that's in addition to whatever other increases come.  
7           That is a direct result of what we decide this year,  
8           and the public should know about it.

9                         That function can be -- should be done in  
10           public notice and press release, but having this  
11           chance this year it's something that can be at least  
12           mitigated in an oral public hearing.

13                        Moving to Mr. Seaborn's comments, he noted  
14           that BCOAPO would support a written process with a  
15           second round of IRs, importantly, but that they would  
16           not oppose an oral hearing. My observation there is  
17           that if BCOAPO is content not to have an oral hearing,  
18           then I would expect that they would not anticipate  
19           having cross-examination in such a proceeding. And  
20           that, of course, would tend to be a sort of natural  
21           governor on the scope, or at least the duration, of an  
22           oral hearing.

23   THE CHAIRPERSON:    Mr. Weisberg?

24   MR. WEISBERG:        Yeah.

25   THE CHAIRPERSON:    If we were to go with an oral hearing,  
26           do you feel that you would have a lot of questions to

1 ask in an oral hearing?

2 MR. WEISBERG: Well, "a lot" is -- I will try to put some  
3 shape to your questions.

4 THE CHAIRPERSON: Please.

5 **Proceeding Time 9:51 a.m. T13**

6 MR. WEISBERG: So, yes. I would expect that if we had an  
7 oral hearing that TREAD's cross-examination would be  
8 in the neighbourhood of the day. And I expect that  
9 would be informed largely by a scoping ruling that I  
10 would expect would be provided shortly after this  
11 proceeding, and there have been submissions made on  
12 that, and that of course would not just set natural  
13 limits, but set prescribed limits on where that cross-  
14 examination could go.

15 So I think that takes me to the end at  
16 least the first question on the process options, so I  
17 will move on to the second. In terms of that  
18 regulatory timetable, TREAD would support option B-1,  
19 would not object to option B-2. We do strongly oppose  
20 option A, the full written option.

21 In terms of intentions to submit intervener  
22 evidence, TREAD is inclined to do so, but we don't  
23 feel this is the hearing to do it in. We don't have  
24 -- I'll leave it at that. We don't intend this year  
25 to file evidence.

26 THE CHAIRPERSON: Okay.

1 MR. WEISBERG: And that again should mitigate concerns  
2 about the potential duration and therefore cost of an  
3 oral hearing, because that piece is taken out.

4 In terms of other matters that will assist  
5 in the efficient review of the application, Mr.  
6 Seaborn has canvassed those. We adopt and support his  
7 submissions in that regard. We reserve the right to  
8 pursue other issues that are deemed within scope by  
9 the Commission Panel.

10 And subject to any questions, those are my  
11 submissions for today. Thank you.

12 THE CHAIRPERSON: Any questions? Thanks, Mr. Weisberg.

13 Ms. Worth?

14 **SUBMISSIONS BY MS. WORTH:**

15 MS. WORTH: Mr. Chair, member of the Panel, I'll begin  
16 with the first question, which is the process options  
17 for review of this application. While my client views  
18 the theme of this process as one examining lost  
19 opportunities and ICBCs attempts to now improve its  
20 issues with customer service, the transformation  
21 project, and the legal representation rate, our client  
22 is not of the view that provided there is a provision  
23 for a second round of IRs, that there is any need for  
24 an oral hearing. They are content at this point to  
25 support a written process. That is in our view  
26 efficient, proportionate, and necessary.



1           for this utility -- or this insurer changes year over  
2           year as does their situation. Any process must  
3           reflect this particular year's facts, issues and  
4           situation.

5                       Now, in regards to issue 2, the regulatory  
6           timetable, my client strongly prefers the staff  
7           written process as outlined in Appendix A to Exhibit  
8           BA-7 in the case of a written process, and we strongly  
9           opposed ICBC's proposed schedule as found in Exhibit  
10          B-4. Like Mr. Seaborn has ably explained, there  
11          remains lines of questioning to clarify issues and to  
12          delve into issues that were actually raised in ICBC's  
13          responses to IR 1. But also our client shares  
14          BCOAPO's strong desire to ensure that the regulatory  
15          record in this process is full and adequate.

16                      My client prefers the written process, but  
17          it would, as I said, not oppose an oral one provided  
18          it is adequately justified and focused to ensure both  
19          regulatory efficiency is maintained and fairness is as  
20          well.

21                      Our position on this is though there is a  
22          second round of IRs, if there is an oral hearing that  
23          should be maintained. IRs have, in the past, in many  
24          processes, not only for ICBC but other utilities,  
25          focused the issues and reduced the need and expense to  
26          ask those clarification and follow-up questions with

1 the meter running on everybody sitting in the room.

2 A second round of IRs also ensures that we  
3 can have an oral hearing, should this Panel find that  
4 one is appropriate, that does not have to deal with  
5 PEN application issues. Merely those discrete ones  
6 that could not adequately be dealt in the IR process.  
7 This too fulfills the goal of regulatory efficiency  
8 and reasonable cost controls.

9 I strongly oppose any limitation on IRs.  
10 I've already discussed the values of IRs and flushing  
11 out the record to the benefit of all in this room. If  
12 interveners or staff stray into areas that are not  
13 determined to fall within the scope of a general  
14 scoping order, not one that's specific to IRs, then  
15 ICBC certainly has the ability to refuse to answer and  
16 then that party can apply to the Commission for an  
17 order -- for a determination as to whether ICBC must  
18 answer.

19 Now, I have a response to Mr. Weisberg's  
20 submission in regards to his view that a party like  
21 BCOAPO and now potentially my client that has  
22 supported a written process would not be expected to  
23 cross-examine at an oral hearing.

24 Parties cannot be said, in my submission,  
25 to have forfeited their rights to participate fully in  
26 an oral hearing and to cross-examine ICBC witnesses

1 simply because they did not request an oral hearing  
2 here today. To do so would be unfair and would create  
3 a situation where parties would often decline to opt  
4 for what they see as the minimum necessary process in  
5 order to preserve the right to cross-examine.

6 Another concern that I have about Mr.  
7 Weisberg's comment is that Mr. Weisberg indicated that  
8 his preference was for Option A, and that was the oral  
9 hearing that actually did not have a second round of  
10 IRs.

11 So if Mr. Weisberg's suggestion were to be  
12 adopted, that would mean that my client and BCOAPO  
13 would have no further recourse to any additional  
14 information through IRs or through cross-examination.  
15 Again, that would, in my submission, significantly  
16 impact the fairness of this process.

17 THE CHAIRPERSON: Just for the record, when you said  
18 Option A you actually meant B-1?

19 MS. WORTH: Yes, I'm sorry. B-1.

20 THE CHAIRPERSON: Okay. Sorry I know it's confusing.

21 MS. WORTH: There's so many different options here.

22 Now, in regards to issue 3, which is the  
23 intervener's intentions to submit intervener evidence,  
24 I do not anticipate that my client will be filing  
25 evidence in this particular process.

26 And subject to any questions those are my



1 allocation. But as I've said before, we believe we  
2 have sufficient information on the record at this  
3 time, and we don't require any further IRs or an oral  
4 hearing.

5 THE CHAIRPERSON: Thank you, Mr. Miller.

6 Ms. Worth, do you have anything to add?

7 MS. WORTH: No, I do not.

8 THE CHAIRPERSON: Mr. Weisberg?

9 **REPLY BY MR. WEISBERG:**

10 MR. WEISBERG: Mr. Chair, I do need to address two points  
11 brought up by my friend, Ms. Worth. I believe she was  
12 correct in both respects, or at least I was wrong.

13 First of all, I didn't mean to suggest that  
14 a party -- and I used BCOAPO as an example -- would in  
15 any way forfeit a right to cross-examine at an oral  
16 hearing if one is held. Where I was going with that  
17 comment, and my intent, was that that's up to BCOAPO.  
18 Their current expectation, and this is -- that's  
19 largely what I think the Commission Panel is seeking  
20 today in terms of being able to make an informed  
21 decision on the process that follows, that  
22 expectation, is that they currently think they  
23 wouldn't have questions, or -- you didn't get into  
24 detail, but perhaps they would be limited in duration.  
25 That's all I meant by that, and I in no way meant to  
26 constrain the rights that I acknowledge of other

1           interveners. And I apologize to Ms. Worth, and to  
2           other interveners, if -- I clearly didn't make that  
3           clear, and that was my fault.

4   THE CHAIRPERSON:    Thank you.

5   MR. WEISBERG:       Secondly, I appear to be alone in my  
6           confusion about the timetable options that Staff  
7           provided. And I misspoke when I said -- Ms. Worth, I  
8           said, I believe, thought that I preferred option A. I  
9           think what I said is -- do you have that? B-1, and  
10          that was wrong. Because what I'm struggling with was  
11          that IRs are absent from B-1.

12                        So, TREAD strongly urges the Commission  
13          Panel to go with option B-2, that includes a second  
14          round of IRs. We think that second round of IRs is  
15          very important. If not, then our feeling would be it  
16          would be more appropriate to actually go with option  
17          A, the full written, that includes a second round of  
18          IRs.

19                        So, I again apologize that I crossed my  
20          wires on that, and wasn't clear the first time around.

21   THE CHAIRPERSON:    Yes. I just want to make one point, is  
22           that in my opening remarks, I commented that these  
23           were guidelines just to work with, and we don't have  
24           to go to one of those three. It's not A, B, or C,  
25           it's --

26   MR. WEISBERG:       Yes.

1 THE CHAIRPERSON: If we want to wiggle it around, we can.  
2 So if you would like to make it slightly different,  
3 that's okay too.

4 MR. WEISBERG: I appreciate that, Mr. Chair.

5 THE CHAIRPERSON: It was just a starting point for  
6 discussion, so we're not starting from nothing, that  
7 was all.

8 **Proceeding Time 10:05 a.m. T16**

9 MR. WEISBERG: Thank you. Well, and just to close off my  
10 comments on that, we certainly do believe that a  
11 second round of IRs is required and appropriate, and  
12 that an oral hearing, as limited in scope as the  
13 Commission may see fit, is the way to go.

14 My friend Mr. Miller addressed on behalf of  
15 Commission Staff the issues of whether an oral hearing  
16 or second round of IRs is required. In terms of the  
17 oral hearing, and the benefit and necessity of it, I  
18 think it's important to note again that given that  
19 public education component that I alluded to in my  
20 earlier submissions, I believe it's important that the  
21 public is able to see that Commission Staff and  
22 Commission counsel on its behalf and Commission Panel  
23 members do have questions for ICBC that can be  
24 addressed in real time. Not every question is well  
25 suited to ask in an IR. Some are more effective, more  
26 probing, when asked in the context of an oral hearing.

1           And I believe in the circumstances it is important  
2           that the public see that as done, not only by  
3           interveners, but by Commission Staff through its  
4           counsel and the Commission Panel.

5                           Those are my submissions, thank you.

6 THE CHAIRPERSON:    Thank you, Mr. Weisberg.

7                           Mr. Seaborn.

8 **REPLY BY MR. SEABORN:**

9 MR. SEABORN:    Two follow up comments.  First of all in  
10           regards to Mr. Bystrom and ICBC when they were  
11           speaking to seeking a written hearing as opposed to an  
12           oral hearing, noted the fact that an oral hearing  
13           would cost more than a written proceeding, which I  
14           have no doubt it would.  I just would like to note for  
15           the record, we are of the view that while that is a  
16           consideration, that would be very much a secondary  
17           consideration, the consideration of cost.  And we  
18           would say that that is secondary to any substantive  
19           issue or reason which would speak to the need for  
20           there to be an oral hearing to ensure that it is a  
21           fair and complete process.

22                           My second comment, a little bit I'm echoing  
23           Ms. Worth, certainly if we end up in an oral hearing  
24           proceeding, BCOAPO would reserve the right to cross-  
25           examine, and we would expect to fully engage in that  
26           oral proceeding and cross-examine any witnesses that

1           were produced. Thank you.

2 THE CHAIRPERSON: Thank you, Mr. Seaborn.

3                               Mr. Bystrom?

4 **REPLY BY MR. BYSTROM:**

5 MR. BYSTROM: Okay, I'll seek to keep my reply comments  
6 brief.

7                               First I'll address the position of the  
8 interveners that have spoken today that a second round  
9 of information requests is more desirable. And Ms.  
10 Worth mentioned that her interest is in having a full  
11 and adequate body of evidence. And to be clear, we  
12 understand the need for that, and we concur. I think  
13 our position is though, that we believe the first  
14 round of IR responses already provides that body of  
15 evidence. So in that sense, I think we are aligned  
16 with Commission Staff's position on that matter.

17                              Then the next point I would like to make is  
18 that there was a general comment that there is more  
19 information that can be asked, and we don't doubt that  
20 there can be more IRs, there can always be more IRs,  
21 there is always more information that can be asked,  
22 but in our submission it comes back to the points I  
23 made in my initial submissions, what it comes down to  
24 proportionality and whether there is truly value in  
25 that further process.

26                              So yeah, in my view, Commission must weigh

1 the value of the further process versus the cost of  
2 that process to policy holders and other factors. And  
3 in our submission, this is the calculus comes out in  
4 favour of stopping at one round of IRs. We believe  
5 the information on the record today is sufficient, and  
6 that further requests won't, as Mr. Weisberg agreed,  
7 materially affects the outcome of the proceeding.

8 So, with that, I would just conclude that I  
9 think the one round is sufficient and we will leave it  
10 in the Commission's hands to make its judgment on that  
11 matter.

12 **Proceeding Time 10:11 a.m. T17**

13 The second point, I'd like to address some  
14 comments made by Mr. Weisberg. He first commented  
15 that he believed that I was treading into substantive  
16 issues, and he mentioned that I was talking about  
17 Special Direction IC2. And in my submission, my  
18 submissions on Special Direction IC2 were not  
19 substantive matters as the black-letter law. It's not  
20 controversial what Special Direction IC2 says. It's  
21 well known, and I think I was just outlining what is  
22 clearly the regulatory framework as it applies to  
23 ICBC.

24 Next I'd like to address Mr. Weisberg's  
25 comments regarding the 5.9 percent. And my  
26 understanding of that comment was that the 5.9 percent

1 followed by operation of IC2, and so that was the  
2 cumulative rate increase. I suppose it would follow  
3 the next three years, and if the Commission approved  
4 the rate increase sought in this application. And in  
5 my submission, that is just -- well, there's two  
6 points to be made. One that is speculative. We don't  
7 know what's going to happen in the next three years,  
8 and so the 5.9 percent is -- that's just a speculative  
9 number. Of course there is the operation of the band  
10 from IC2, but we don't know what's going to happen  
11 within that band.

12 And a second one is, that is to the extent  
13 that he's making this point, and he has -- he admitted  
14 himself it's by operation of law that those impacts  
15 follow, and that's not -- it's not an issue for the  
16 Commission to determine in this proceeding. And it's  
17 really a matter, I suppose, of government to decide on  
18 legislation. And I disagree that it's the  
19 Commission's job to provide public notice about the  
20 operation of Special Direction IC2 for the next three  
21 years, in its notice or otherwise. So in our view,  
22 the Commission -- the notice that was published was  
23 adequate and sufficient.

24 And just on the point about the band, Mr.  
25 Weisberg also said the idea that there is a band in  
26 place is not a reason not to have an oral hearing.

1           And so, I just wanted to make my point clear that I  
2           thought it was about proportionality and efficiency.  
3           And in our submission, it just simply -- given the  
4           regulatory framework in place, that an oral hearing or  
5           even a second round of IRs is not warranted in this  
6           case. So, but of course we don't believe that simply  
7           by operation of IC2 there should not be an oral  
8           hearing. It's just -- it's a more subtle point than  
9           that.

10                       I do have a few more points to reply to. I  
11           think I'll turn now to Mr. Weisberg's request for an  
12           oral hearing. I believe he is the only party  
13           requesting an oral hearing, that favours that option,  
14           and what I hear him saying is that an oral hearing is  
15           required as a public education process. That was the  
16           repeated theme of his submissions.

17                       And in my view, public education would be a  
18           novel reason to hold an oral hearing in this  
19           proceeding. As some of the other interveners  
20           mentioned, you know, the purpose is to have a full and  
21           adequate body of evidence to enable the Commission to  
22           make a decision on the application. The oral hearing  
23           should be aimed for that purpose, not as a public  
24           education exercise. If public education is something  
25           that is needed, that speaks -- there is other avenues  
26           that can address that problem, but we don't think

1           there is such a problem. But an oral hearing is not  
2           the answer to Mr. Weisberg's concerns.

3                     If you could just bear with me, I'm just  
4           going through my notes.

5                     And I've looked over the issues that my  
6           notes -- silence on my part shouldn't be taken as  
7           agreement. I think I'll just content myself with my  
8           submissions at that point, unless there is any  
9           questions. Those are my submissions.

10   **Proceeding Time 10:16 a.m. T18**

11 THE CHAIRPERSON: No questions, Mr. Bystrom. Thank you  
12           very much.

13                     Mr. Miller, is there any other business we  
14           have to attend to today?

15 MR. MILLER: There is nothing I am aware of, Mr. Chair.

16 THE CHAIRPERSON: Okay, thank you Mr. Miller.

17                     On that basis we'll adjourn for the day and  
18           you'll have our answer forthcoming as soon as we're  
19           able to get to it. Thank you very much.

20           **(PROCEEDINGS ADJOURNED AT 10:17 A.M.)**

21   I HEREBY CERTIFY THAT THE FORGOING  
22   is a true and accurate transcript of  
23   the recording provided to me, to the  
24   best of my skill and ability.

25   

26   A.B. Lanigan, Court Reporter