## PUC told to speed review of tax cut

AUSTIN - After listening to state Sen. Carlos Truan's charges that Texas consumers are being "ripped off" by hundreds of millions of dollars, the Texas Senate ordered the Public Utility Commission yesterday to speed its review of a 1986 federal tax reduction on utility rates.

Senators adopted by voice vote a resolution by Truan expressing their "strongest sentiments" that the PUC act promptly on matters of consumer interest. The resolution will be delivered to the commission by the secretary of state's office.

Truan, D-Corpus Christi, accused the three-member commis-sion of dragging its heels in ordering that the federal tax passed on to utility customers. He said that if the utility tax had been increased instead of decreased, the additional charge would have been passed on quickly to consumers.

Truan also said he will oppose the Senate confirmation of utility commissioners Marta Graytok of Taylor Lake Village and William Cassin of Houston, who were appointed last year by Gov. Bill

#### '89 Legislature

came to his office last month and said they were unaware of the 1986 tax break for utilities. But, he added, his staff has acquired the minutes of an Oct. 5, 1988, commission meeting at which commissioner Jo Campbell tried to discuss the tax issue.

Minutes of that meeting show Campbell said: "In 1986 we had the Tax Reform Act that reduced the corporate tax rate from 46 to 34 percent. Yet, two years later, consumers of this state have no assurances that they are not pay-ing phantom taxes." Cassin then interrupted and moved to adjourn the meeting, and Chairwoman Graytok agreed.

Campbell was appointed by former Gov. Mark White and previously was confirmed by the Senate. She frequently is at odds with the two Clements appoin-

tees.

Truan said he would seek to question the two new commissioners about their knowledge of the tax break when their appointments come before the Senate. He said both commissioners probably in March or April.

# Bush takes budget campaign on the road

WASHINGTON President Bush opened a campaign for his "sensible ideas" federal budget Monday in New Hampshire, the state that re-

Nation

vived his flagging campaign for the presidency one year earlier.

Although Bush's fiscal 1990 budget is under attack among congressional Democrats for lacking specifics on spending cuts. Bush gave no hint in his speech to the Business and Industry Association of New Hampshire that the plan might be in trouble.

Sensible ideas work," the presi-

dent told a Manchester, N.H., audience of about 1,200 people. "We can do the job without taxes," added Bush, who has repeatedly promised to fight any new taxes. However, Sen. Warren Rudman,

R-N.H., who hitched a ride back to Washington with Bush on Air Force One, told reporters a tax increase of some form might be needed next year.

"No promise is forever," Rudman said. He predicted "a good three months of heavy slugging" on the budget.

The president said his appearance was only the first in a series of stops around the country on behalf of his \$1.16 trillion spending plan, which calls for restraints on defense

cation, environmental cleanup, the homeless and other domestic pro-

grams. On Wednesday, Bush will fly to Columbia, S.C., to address a joint session of the state Legislature. On Friday, he is expected to speak in St. Louis.

Bush stopped in Manchester, N.H., on the way back to Washington from a vacation weekend at his seaside retreat in Kennebunkport, Maine.

He had grateful words for New Hampshire and its voters, saying his victory in the state's Republican primary on Feb. 16, 1988, "gave me the chance to pick myself up off of that canvas."

Turning to his budget proposal, Bush said, "Our plan is a realistic one. It is a budget plan that will work, but not with business as usual. It will require a partnership with Congress."

Bush's speech highlighted most major features of his budget plan. However, he did not mention one of its more controversial components - a reduction of the tax on capital gains, which include profits from the sale of stock, homes, real estate and other assets.

He contends such a tax break would actually raise revenues by spurring business investment; however, Democratic critics have called it a tax benefit mostly for the rich.

### Boston case may test affirmative-action ruling

BOSTON - A requirement that construction firms working for the city give some of their business to minority subcontractors was challenged in court Monday, in what may be the first test of a recent Supreme Court ruling on affirmative action.

Fairview Construction, which lost contract to build a police station due to the requirement, has chal-lenged the constitutionality of the plan based on the Supreme Court's ruling last month that struck down a similar "set-aside" program in

Richmond, Va. Suffolk Superior Court Judge Albert Tuttle on Monday allowed law-yers for Fairview to amend their previously filed lawsuit to include the constitutional question on the minority issue. But city attorneys said they will try to get the affirmative-action issue dismissed.

Tuttle set another pre-trial hearing for March 7.

There are very similar things in Boston's program to what the Supreme Court held unconstitutional in the Richmond decision," said Fairview attorney Edward J. Quinlan before Monday's hearing.
Attorneys for the city argued that

the Fairview contract was rejected because of a bidding irregularity and did not hinge on the minority requirements. But the lawsuit's amendment did appear to open the door to the constitutional question. said Al Wallis, city assistant corporation counsel.

In Richmond, minority firms were guaranteed 30 percent of city contracts. In Boston, the requirement is 15 percent, except in areas determined to have a high percentage of minorities, where the requirement is 30 percent.

The legal challenge stemmed from a dispute dating back to last fall when Fairview came in with the low bid to building the police sta-tion, but lost the contract after Sciaba Construction Co. of Boston protested that sections of the Fairview bid did not meet the city's minority business rules.

Fairview filed suit in December 1988, charging they should not have been denied the contract. which involves about \$2.5 million, Wallis said.

#### Area college officials ask legislative support

South Texas

HARTEHANKS AUSTIN BUREAU AUSTIN - The presidents of the three University System of

schools urged law-Texas makers yesterday to

support a merger with the Texas A&M University System, boost faculty salaries and discard the 5-percent cut recommended for higher education over the next two years.

Texas A&I President Steve Altman told a budget subcommittee of the House Higher Education Committee that it is no coincidence that the region remains poor, with high unemployment, educational achievement and disproportionate spending

on social services. He said the lack of educational services has helped maintain a low quality of life for the people of South Texas.

But all of that could begin to change by granting a merger with Texas A&M and the funds neces-

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South Texas, Altman said.

Though the proposed merger between the system and the Texas A&M University System was discussed briefly, most of the nearly hourlong presentation stressed budget recommenda-tions for Corpus Christi State University, Texas A&I and Lare-do State University, the three

"It is no secret that our universities are only as good as our faculty," said system Chancellor B. Alan Sugg, who also is the CCSU president. Although recent faculty increases have helped, more is needed, he said.

Sugg asked that the subcommittee consider recommending funds for a number of special needs, including \$900,000 each year to develop new graduate de-gree programs in mariculture, public administration and health care administration.

He also recommended consideration of about \$3 million in other special programs.

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**Public Notice** 

On November 9, Southwestern Bell Telephone Company filed a tariff which proposes to prevent local exchange calling over interstate, unrestricted, multi-jurisdictional, WATS Access Lines

If these proposed tariff changes are approved, the blocking of local exchange calls over intrastate WATS access lines and UWALs will take place within 30 days. This proposed tariff change will not

result in the blocking of local calls placed to an 800 Service number.

this matter to Docket 8421. A hearing on the merits of these proposed

Persons who wish to intervene or otherwise participate in these proceedings should mail a request to the Public Utility

Commission of Texas, 7800 Shoal Creek Boulevard, Suite 400N, Austin, Texas 78757 by February 27, 1989. Further information may also be obtained by calling the PUC Public Information Office at

(512) 458-0223 or (512) 458-0221, teletypewriter for the deaf.

The Public Utility Commission (PUC) of Texas has assigned

(UWALs) and intrastate WATS Access Lines (WALs). 1 IMALs are provided to interexchange carriers for their

tariff changes is scheduled for March 13, 1989.

use in the provision of interexchange interstate and intrastate long-distance and WATS-type services. Similarly, WALs are designed for use in the provision of interLATA and intraLATA WATS services. The UWALs and WALs were not intended to allow local







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From

Swantner and Gordon is proud to introduce a new associate, J.T. Tollett III (Trey)



Born and raised in Corpus Christi, Trey comes to the firm from the South Texas Agency of Massachusetts Muttal Life In-surance Company in San Antonio as our life and financial services specialist. His major emphasis is in the areas of business, estate and accumulation planning. His education, training and experience in business make him well qualified to handle your business and personal insurance needs.

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