

Introduced by Senator WolkFebruary 18, 2011

An act to amend Section 275.6 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 905, as introduced, Wolk. Telecommunications: universal service.

Existing law authorizes the Public Utilities Commission to supervise and regulate every public utility in the state, including telephone corporations, and to fix just and reasonable rates and charges for the public utility. Existing law establishes the California High-Cost Fund-A Administrative Committee Fund and the California High-Cost Fund-B Administrative Committee Fund in the State Treasury, and requires that moneys in the funds are the proceeds of rates and are held in trust for the benefit of ratepayers, and to compensate telephone corporations for their costs of providing universal service and may be expended only to accomplish specified telecommunications universal service programs, upon appropriation in the annual Budget Act or upon supplemental appropriation.

Existing law also requires the commission, until January 1, 2013, to develop, implement, and maintain a suitable program to establish a fair and equitable local rate structure aided by universal service rate support to small independent telephone corporations that serve rural areas and are subject to a rate of return regulation by the commission.

This bill would make technical, nonsubstantive changes to that requirement.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 275.6 of the Public Utilities Code is
2 amended to read:

3 275.6. (a) The commission shall develop, implement, and
4 maintain a suitable program to establish a fair and equitable local
5 rate structure aided by universal service rate support to small
6 independent telephone corporations that serve rural areas and are
7 subject to rate-of-return regulation by the commission. The purpose
8 of the program shall be to promote the goals of universal telephone
9 service and to reduce ~~any disparity~~ *disparities* in the rates charged
10 by those companies.

11 (b) For purposes of this section, “small independent telephone
12 corporations” means those independent telephone corporations
13 serving rural areas that are subject to rate-of-return regulation by
14 the commission, as determined by the commission.

15 (c) The commission shall structure the programs required by
16 this section so that ~~any a~~ charge imposed to promote the goals of
17 universal service reasonably equals the value of the benefits of
18 universal service to contributing entities and their subscribers.

19 (d) This section shall remain in effect only until January 1, 2013,
20 and as of that date is repealed, unless a later enacted statute, that
21 is enacted before January 1, 2013, deletes or extends that date.