

ASSEMBLY BILL

No. 1100

Introduced by Assembly Member Levine

February 22, 2013

An act to amend Section 280 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1100, as introduced, Levine. Telecommunications: California Teleconnect Fund Administrative Committee Fund.

Existing law, the federal Telecommunications Act of 1996, establishes a program of cooperative federalism for the regulation of telecommunications to attain the goal of local competition, while implementing specific, predictable, and sufficient federal and state mechanisms to preserve and advance universal service, consistent with certain universal service principles. The universal service principles include the principle that elementary and secondary schools and classrooms, health care providers, and libraries should have access to advanced telecommunications service. The act authorizes states to adopt regulations not inconsistent with Federal Communications Commission rules to preserve and advance universal service. The act requires that every telecommunications carrier that provides intrastate telecommunications services contribute, on an equitable and nondiscriminatory basis, in a manner determined by the state, to the preservation and advancement of universal service in that state. The act authorizes each state to adopt regulations to provide for additional definitions and standards to preserve and advance universal service within the state, only to the extent that they adopt additional specific,

predictable, and sufficient mechanisms that do not rely on or burden federal universal service support mechanisms.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law authorizes the commission to fix just and reasonable rates and charges for public utilities. Existing law requires that the commission develop, implement, and administer a program to advance universal service by providing discounted rates to qualifying schools, community colleges, libraries, hospitals, health clinics, and community organizations (teleconnect program). Existing law establishes the California Teleconnect Fund Administrative Committee Fund in the State Treasury and requires the moneys in the fund, upon appropriation, be expended only for the teleconnect program. A commission decision establishes an annual limit on the reimbursement provided to the California Community Colleges as part of the teleconnect program.

This bill would prohibit an annual limit for the reimbursement provided to the California Community Colleges as part of the teleconnect program.

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

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

1 SECTION 1. Section 280 of the Public Utilities Code is
2 amended to read:
3 280. (a) The commission shall develop, implement, and
4 administer a program to advance universal service by providing
5 discounted rates to qualifying schools maintaining kindergarten
6 or any of grades 1 to 12, inclusive, community colleges, libraries,
7 hospitals, health clinics, and community organizations, consistent
8 with Chapter 278 of the Statutes of 1994.
9 (b) There is hereby created the California Teleconnect Fund
10 Administrative Committee, which is an advisory board to advise
11 the commission regarding the development, implementation, and
12 administration of a program to advance universal service by
13 providing discounted rates to qualifying schools maintaining
14 kindergarten or any of grades 1 to 12, inclusive, community
15 colleges, libraries, hospitals, health clinics, and community
16 organizations, consistent with Chapter 278 of the Statutes of 1994,

1 and to carry out the program pursuant to the commission's
2 direction, control, and approval.

3 (c) All revenues collected by telephone corporations in rates
4 authorized by the commission to fund the program specified in
5 subdivision (a) shall be submitted to the commission pursuant to
6 a schedule established by the commission. The commission shall
7 transfer the moneys received to the Controller for deposit in the
8 California Teleconnect Fund Administrative Committee Fund. All
9 interest earned by moneys in the fund shall be deposited in the
10 fund.

11 (d) Moneys appropriated from the California Teleconnect Fund
12 Administrative Committee Fund to the commission shall be utilized
13 exclusively by the commission for the program specified in
14 subdivision (a), including all costs of the board and the commission
15 associated with the administration and oversight of the program
16 and the fund.

17 (e) Moneys loaned from the California Teleconnect Fund
18 Administrative Committee Fund in the Budget Act of 2003 are
19 subject to Section 16320 of the Government Code. If the
20 commission determines a need for moneys in the California
21 Teleconnect Fund Administrative Committee Fund, the commission
22 shall notify the Director of Finance of the need, as specified in
23 Section 16320 of the Government Code. The commission may not
24 increase the rates authorized by the commission to fund the
25 program specified in subdivision (b) while moneys loaned from
26 the California Teleconnect Fund Administrative Committee Fund
27 in the Budget Act of 2003 are outstanding unless both of the
28 following conditions are satisfied:

29 (1) The Director of Finance, after making a determination
30 pursuant to subdivision (b) of Section 16320 of the Government
31 Code, does not order repayment of all or a portion of any loan
32 from the California Teleconnect Fund Administrative Committee
33 Fund within 30 days of notification by the commission of the need
34 for the moneys.

35 (2) The commission notifies the Director of Finance and the
36 Chairperson of the Joint Legislative Budget Committee in writing
37 that it intends to increase the rates authorized by the commission
38 to fund the program specified in subdivision (a). The notification
39 required pursuant to this paragraph shall be made 30 days in
40 advance of the intended rate increase.

- 1 (f) Subdivision (e) shall become inoperative upon full repayment
2 or discharge of all moneys loaned from the California Teleconnect
3 Fund Administrative Committee Fund in the Budget Act of 2003.
4 (g) *The reimbursement for the California Community Colleges*
5 *shall not have an annual limit, as established pursuant to*
6 *commission Decision 08-06-020.*