

AMENDED IN SENATE JUNE 30, 2016

AMENDED IN SENATE JUNE 14, 2016

AMENDED IN SENATE JUNE 1, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2570

Introduced by Assembly Member Quirk

February 19, 2016

An act to amend Section 879 of, and to add Section 878.5 to, the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 2570, as amended, Quirk. Telecommunications: universal service: ~~wireless communications~~. *reimbursement claims*.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. The Moore Universal Telephone Service Act establishes the Universal Lifeline Telephone Service program in order to provide low-income households with access to affordable basic residential telephone service. The act requires that a lifeline telephone service subscriber be provided with one lifeline subscription, as defined by the commission, at his or her principal place of residence.

This bill would prohibit the commission from reimbursing a telephone corporation for a reimbursement claim for providing ~~wireless~~ lifeline service to a new subscriber who enrolls for service with the telephone corporation if the subscriber enrolled for ~~wireless~~ lifeline service with another telephone corporation within the previous 60 days. The bill would require the commission to reimburse a telephone corporation providing ~~wireless~~ lifeline service within ~~60~~ 90 days of the date the

telephone corporation submits a reimbursement claim. If the commission does not reimburse a telephone corporation for a reimbursement claim for ~~wireless~~ lifeline service within ~~60~~ 90 days, the bill would require the commission to pay ~~all of the costs of the telephone corporation resulting from the late reimbursement, including, but not limited to, financing fees, interest payments, and staff time.~~ *interest to the telephone corporation except under specified circumstances.*

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 878.5 is added to the Public Utilities
2 Code, to read:

3 878.5. (a) The commission shall not reimburse a telephone
4 corporation for a reimbursement claim for providing ~~wireless~~
5 lifeline service to a new subscriber who enrolls for service with
6 the telephone corporation if the subscriber enrolled in ~~wireless~~
7 lifeline service with another telephone corporation within the
8 previous 60 days. ~~Nothing~~

9 (b) *Nothing* in this section shall preclude a subscriber from
10 terminating wireless lifeline service within 14 days of service
11 activation without incurring any charges, including an early
12 termination fee, as authorized pursuant to Rulemaking 11-03-113.

13 SEC. 2. Section 879 of the Public Utilities Code is amended
14 to read:

15 879. (a) The commission shall, at least annually, initiate a
16 proceeding to set rates for lifeline telephone service. All telephone
17 corporations providing lifeline telephone service shall annually
18 file, on a date set by the commission, proposed lifeline telephone
19 service rates and a statement of projected revenue needs to meet
20 the funding requirements to provide lifeline telephone service to
21 qualified subscribers, together with proposed funding methods to
22 provide the necessary funding. These funding methods shall include
23 identification of those services whose rates shall be adjusted to
24 provide the necessary funding.

25 (b) The commission shall commence a proceeding within 30
26 days after the date set for the filings required in subdivision (a),
27 giving interested parties an opportunity to comment on the
28 proposed rates and funding requirements and the proposed funding

1 methods. The commission may change the rates, funding
2 requirements, and funding methods proposed by the telephone
3 corporations in any manner necessary, including reasonably
4 spreading the funding among the services offered by the telephone
5 corporations, to meet the public interest. Within 60 days of the
6 annual filing, the commission shall issue an order setting lifeline
7 telephone service rates and funding methods for each telephone
8 corporation making a filing as required in subdivision (a). The
9 commission may establish a lifeline service pool composed of the
10 rate adjustments and surcharges imposed by the commission
11 pursuant to this section for the purpose of funding lifeline telephone
12 service.

13 (c) Any order issued by the commission pursuant to this section
14 shall require telephone corporations providing lifeline telephone
15 service to apply the funding requirement in the form of a surcharge
16 to service rates which may be separately identified on the bills of
17 customers using those services. The commission shall not allow
18 any surcharge under this section on the rates charged by those
19 telephone corporations for lifeline telephone service.

20 (d) The commission shall permit telephone corporations
21 operating between service areas to adjust the rates of any service
22 which may be affected by any surcharge imposed by this section.

23 (e) The commission shall reimburse a telephone corporation
24 providing ~~wireless~~ lifeline service within ~~60~~ 90 days of the date
25 the telephone corporation submits a reimbursement claim. If the
26 commission does not reimburse a telephone corporation for a
27 reimbursement claim for ~~wireless~~ lifeline service within ~~60~~ 90
28 days, the commission shall pay ~~all of the costs of the telephone~~
29 ~~corporation resulting from the late reimbursement, including, but~~
30 ~~not limited to, financing fees, interest payments, and staff time.~~
31 *interest to the telephone corporation except under the*
32 *circumstances described in Section 9.9.2 of General Order 153.*

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