

AMENDED IN SENATE AUGUST 15, 2016

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, to the~~ Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 2570, as amended, Quirk. Telecommunications: universal service: 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 lifeline service to a new subscriber who enrolls for service with the telephone corporation if the subscriber enrolled for lifeline service with another telephone corporation within the previous 60 days. ~~The bill would require the~~

~~commission to reimburse a telephone corporation providing lifeline service within 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 lifeline service within 90 days, the bill would require the commission to pay 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 lifeline service
5 to a new subscriber who enrolls for service with the telephone
6 corporation if the subscriber enrolled in lifeline service with
7 another telephone corporation within the previous 60 days.

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

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

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

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

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

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

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

21 (e) The commission shall reimburse a telephone corporation
22 providing lifeline service within 90 days of the date the telephone
23 corporation submits a reimbursement claim. If the commission
24 does not reimburse a telephone corporation for a reimbursement
25 claim for lifeline service within 90 days, the commission shall pay
26 interest to the telephone corporation except under the circumstances
27 described in Section 9.9.2 of General Order 153.