

AMENDED IN SENATE APRIL 2, 2002

AMENDED IN SENATE JULY 11, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1734**

**Introduced by Committee on Utilities and Commerce (Wright  
(Chair), Calderon, Canciamilla, Cardenas, Diaz, Nation, Papan,  
Reyes, and Wesson)**  
(Principal coauthor: Senator Polanco)

March 26, 2001

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An act to amend ~~Section 278 of~~ Sections 270.1 and 278 of, and to add Section 2881.4 to, the Public Utilities Code, relating to telecommunications, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1734, as amended, Committee on Utilities and Commerce. Telecommunications services.

**Existing**

(1) Existing law establishes the California High-Cost Fund-B Trust and the Deaf Equipment Acquisition Fund (DEAF Trust). Existing law authorizes the trustee of the California High-Cost Fund-B Trust to transfer money, on or before September 30, 2001, to the DEAF Trust to cover the costs of programs to provide specified telecommunications services and equipment to deaf or disabled persons in this state. Existing law requires that the commission reimburse the California High-Cost Fund-B Trust for any transfer of money to the DEAF Trust. Existing law requires that reimbursement during specified dates to the

*California High-Cost Fund-B Trust be deposited in a separate memorandum account within the DEAF Trust. Existing law requires that on July 1, 2002, any funds remaining in the DEAF Trust, including amounts deposited in the memorandum account for purposes of reimbursing the California High-Cost Fund-B Trust, revert to the General Fund in the State Treasury, with all amounts in the memorandum account reverting for the purpose of funding the California High-Cost Fund-B Trust account in the State Treasury.*

*This bill would instead require that on July 1, 2002, any funds in the DEAF Trust that were deposited in the memorandum account for purposes of reimbursing the California High-Cost Fund-B Trust revert to the Controller for deposit in the California High-Cost Fund-B Trust Committee Fund in the State Treasury. The bill would also require that on July 1, 2003, any funds remaining in the DEAF Trust, exclusive of those funds in the memorandum account, revert to the Deaf And Disabled Telecommunications Program Administrative Committee Fund in the State Treasury.*

(2) Existing law establishes the Deaf and Disabled Telecommunications Program Administrative Committee (*committee*) to advise the Public Utilities Commission regarding the implementation, development, and administration of programs to provide specified telecommunications services and equipment to persons who are deaf or disabled, *and to carry out the programs pursuant to the commission's direction, control, and approval.* Existing law establishes the Deaf and Disabled Telecommunications Program Administrative Committee Fund in the State Treasury to carry out the programs pursuant to the commission's direction, control, and approval, and requires the commission to report to the Governor and the Legislature regarding a transition plan for programs associated with the fund.

~~This bill would authorize the commission, in carrying out its responsibilities and functions relating to the fund, to enter into contracts with agencies, including nonprofit entities, currently providing services to the deaf and disabled.~~

*This bill would rename the committee the Telecommunications Access for Deaf and Disabled Administrative Committee, and delete the authority of the committee to carry out programs pursuant to the commission's direction, control, and approval. The bill would require the committee to advise the commission on certain contracts and agreements related to deaf and disabled telecommunications programs*



and to submit recommendations to the commission for administration of certain deaf and disabled telecommunications programs. The bill would require the commission to establish qualifications for persons to serve as members of the committee so that consumers of telecommunications services for the deaf and disabled represent not less than  $\frac{2}{3}$  of the membership of the committee.

(3) Existing law requires that all revenues collected by telephone corporations in rates to fund the deaf and disabled telecommunications programs be submitted to the commission. Existing law requires that commencing July 1, 2002, the commission transfer the moneys received, and all unexpended revenue collected prior to July 1, 2002, to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund.

This bill would instead require the commission to transfer the moneys received, including unexpended revenue collected prior to July 1, 2003, commencing July 1, 2003.

(4) Existing law requires the commission to design and implement various programs to provide telecommunications services to deaf, disabled, and hearing-impaired individuals.

This bill would authorize the commission to contract with entities or persons with necessary expert knowledge, ability, and experience to provide, manage, or operate specified telecommunications services and equipment for the deaf and disabled telecommunications programs. The bill would require any contractor the commission selects to deliver these services to consult with the Telecommunications Access for Deaf and Disabled Administrative Committee regarding the specialized needs of individuals using the deaf and disabled telecommunications services and equipment.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

- 1     ~~SECTION 1. The Legislature finds and declares all of the~~
- 2     SECTION 1. Section 270.1 of the Public Utilities Code is
- 3     amended to read:
- 4     270.1. (a) Notwithstanding any other provision of law, the
- 5     commission may authorize the trustee of the California High-Cost



1 Fund-B Trust to transfer to the Deaf Equipment Acquisition Fund  
2 Trust (DEAF Trust) money sufficient to cover the costs of the  
3 program as specified in subdivision (a) of Section 278, including,  
4 but not limited to, all costs specified in subdivision (c) of Section  
5 278. The amount of any transfer of money authorized may not  
6 exceed the cost of operating the program for six months. The  
7 commission shall also establish other terms of the transfer, as it  
8 determines to be appropriate.

9 (b) The commission shall reimburse the California High-Cost  
10 Fund-B Trust for any transfer of money to the DEAF Trust  
11 authorized pursuant to subdivision (a), with interest as determined  
12 by the commission.

13 (c) A sum equivalent to the amount of money transferred to the  
14 Deaf Equipment Acquisition Fund Trust (DEAF Trust) pursuant  
15 to subdivision (a) is hereby appropriated from the Deaf and  
16 Disabled Telecommunications Program Administrative  
17 Committee Fund to the commission, for allocation to the  
18 California High-Cost Fund-B Trust, for purposes of subdivision  
19 (b).

20 (d) Funds may not be transferred from the California  
21 High-Cost Fund-B Trust to the DEAF Trust pursuant to  
22 subdivision (a) after September 30, 2001.

23 (e) Commencing on October 1, 2001, and until a date not later  
24 than June 30, 2002, reimbursements made to the California  
25 High-Cost Fund-B Trust pursuant to subdivisions (b) and (c) shall  
26 be deposited in a separate memorandum account within the DEAF  
27 Trust, subject to the terms specified in subdivision (b).

28 (f) On July 1, 2002, any funds ~~remaining~~ in the DEAF Trust,  
29 ~~inclusive of amounts~~ deposited in the memorandum account for  
30 purposes of reimbursing the California High-Cost Fund-B Trust,  
31 shall revert to the ~~General Fund in the State Treasury, with all~~  
32 ~~amounts in the memorandum account reverting for the purpose of~~  
33 ~~funding~~ *Controller for deposit in the California High-Cost Fund-B*  
34 *Trust account Committee Fund in the State Treasury rather than the*  
35 ~~DEAF Trust account in the State Treasury~~ *Deaf and Disabled*  
36 *Telecommunications Program Administrative Committee Fund.*

37 (g) *Commencing on July 1, 2003, any funds remaining in the*  
38 *DEAF Trust, exclusive of those identified in subdivision (f), shall*  
39 *revert to the Deaf and Disabled Telecommunications Program*  
40 *Administrative Committee Fund in the State Treasury.*

1     *SEC. 2. Section 278 of the Public Utilities Code is amended*  
2     *to read:*

3     278. (a) (1) There is hereby created the ~~Deaf and Disabled~~  
4     ~~Telecommunications Program Administrative Committee, which~~  
5     ~~is Telecommunications Access for Deaf and Disabled~~  
6     ~~Administrative Committee, formerly the Deaf and Disabled~~  
7     ~~Telecommunications Program Administrative Committee, as an~~  
8     advisory board to advise the commission regarding the  
9     development, implementation, and administration of programs to  
10    provide specified telecommunications services and equipment to  
11    persons in this state who are deaf or disabled, as provided for in  
12    Sections 2881, 2881.1, and 2881.2, ~~and to carry out the programs~~  
13    ~~pursuant to the commission's direction, control, and approval.~~

14    (2) In addition to the membership qualifications established by  
15    the commission pursuant to subdivision (a) of Section 271, the  
16    commission shall establish qualifications for persons to serve as  
17    members of the ~~Deaf and Disabled Telecommunications Program~~  
18    ~~Administrative Committee to achieve appropriate representation~~  
19    ~~by the consumers of telecommunications services for the deaf and~~  
20    ~~disabled Telecommunications Access for Deaf and Disabled~~  
21    ~~Administrative Committee so that consumers of~~  
22    ~~telecommunications services for the deaf and disabled comprise~~  
23    ~~not less than two-thirds of the membership of the committee. It is~~  
24    ~~the intent of the Legislature that existing members of the former~~  
25    ~~Deaf and Disabled Telecommunications Program Administrative~~  
26    ~~Committee should serve out their current terms of office as~~  
27    ~~members of the committee.~~

28    (3) As part of its advisory role, as specified in paragraph (1),  
29    the ~~Telecommunications Access for Deaf and Disabled~~  
30    ~~Administrative Committee shall do all of the following:~~

31    (A) Advise the commission regarding contracts and agreements  
32    related to the ~~Deaf and Disabled Telecommunications Program as~~  
33    ~~specified in subdivisions (d) and (e) of Section 2881.4.~~

34    (B) Develop and submit, not later than October 1, 2002,  
35    recommendations to the commission for a transition plan, to be  
36    effective July 1, 2003, for administration and governance of the  
37    programs described in Sections 2881, 2881.1, and 2881.2.

38    (C) The transition plan may contain, but need not be limited to,  
39    recommendations pertaining to staffing and administrative  
40    structure, and may include recommendations for the establishment

1 of a designated office and program function, within state  
2 government, staffed in a manner designed to provide expert  
3 oversight and governance to ensure the long-term quality and  
4 integrity of programs and services offered through the Deaf and  
5 Disabled Telecommunications Program.

6 (b) All revenues collected by telephone corporations in rates  
7 authorized by the commission to fund the programs specified in  
8 subdivision (a) shall be submitted to the commission pursuant to  
9 a schedule established by the commission. Commencing on July  
10 1, ~~2002~~ 2003, and continuing thereafter, the commission shall  
11 transfer the moneys received, and all unexpended revenue  
12 collected prior to July 1, ~~2002~~ 2003, to the Controller for deposit  
13 in the Deaf and Disabled Telecommunications Program  
14 Administrative Committee Fund. All interest earned by moneys in  
15 the fund shall be deposited in the fund. ~~In addition, those~~ Those  
16 revenues that are collected pursuant to subdivision (d) of Section  
17 2881 shall be accounted for separately, as required by subdivision  
18 (b) of Section 2881.2, and deposited in the fund created by the  
19 commission pursuant to subdivision (b) of Section 2881.2.

20 (c) Moneys appropriated from the Deaf and Disabled  
21 Telecommunications Program Administrative Committee Fund to  
22 the commission shall be utilized exclusively by the commission  
23 for the ~~program~~ programs specified in subdivision (a), including  
24 all costs of the ~~board~~ committee and the commission associated  
25 with the administration and oversight of the program and the fund.

26 SEC. 3. Section 2881.4 is added to the Public Utilities Code,  
27 to read:

28 2881.4. (a) The Legislature finds and declares all of the  
29 following:

30 (1) Section 278 requires the commission to transfer to the  
31 Controller for deposit in the Deaf and Disabled  
32 Telecommunications Program Administrative Committee Fund all  
33 revenues collected by telephone corporations to fund programs to  
34 provide specified telecommunications services and equipment to  
35 deaf, disabled, and hearing-impaired persons, as specified in  
36 Sections 2881, 2881.1, and 2881.2.

37 (2) The commission issued a report to the Legislature in May  
38 2001, addressing compliance issues pertaining to the programs  
39 specified in Sections 2881, 2881.1, and 2881.2, including a  
40 recommendation to secure legislative authorization for the



1 *commission to contract with outside entities for the provision of*  
2 *services and equipment mandated by Sections 2881, 2881.1, and*  
3 *2881.2.*

4 *(3) The telecommunications services and equipment provided*  
5 *to deaf, disabled, and hearing-impaired individuals and their*  
6 *families, as specified in Sections 2881, 2881.1, and 2881.2, are of*  
7 *such a highly specialized and technical nature that the necessary*  
8 *expert knowledge, ability, and experience are not available within*  
9 *the current state civil service system.*

10 *(4) It is the intent of the Legislature, in enacting this section, to*  
11 *do all of the following:*

12 *(A) Maintain the availability of the state's current statewide*  
13 *infrastructure of telecommunications services and equipment to*  
14 *deaf, disabled, and hearing-impaired persons, as provided for in*  
15 *Sections 2881, 2881.1, and 2881.2, as essential to maintaining*  
16 *public health and safety.*

17 *(B) Authorize the commission to enter into contracts for the*  
18 *provision of telecommunications services and equipment for deaf,*  
19 *disabled, and hearing-impaired persons in a manner that protects*  
20 *and enhances the current statewide infrastructure and coordinated*  
21 *delivery of those services and equipment and includes a priority for*  
22 *maintaining long-term continuity of program administration and*  
23 *maximum involvement of the deaf and disabled community in*  
24 *program governance.*

25 *(C) Strengthen program priorities for expanded outreach*  
26 *through continuing consultation with, and participation by, the*  
27 *deaf, disabled, and hearing-impaired community in order to*  
28 *ensure the state's network of services reach hard-to-serve*  
29 *populations, including rural, innercity, and urban areas.*

30 *(D) Develop a mechanism to achieve cost effective and timely*  
31 *deployment of new and emerging telecommunications*  
32 *technologies.*

33 *(b) (1) In order for the commission to provide for, and ensure*  
34 *continuity of, telecommunications services and equipment for the*  
35 *deaf, disabled, and hearing impaired, as specified in Sections*  
36 *2881, 2881.1, and 2881.2, the commission, subject to annual*  
37 *appropriation of funds by the Legislature and consistent with state*  
38 *contracting requirements, may contract with entities or persons*  
39 *that have the necessary expert knowledge, ability, and experience*  
40 *to provide telecommunications services and equipment to deaf,*

1 disabled, and hearing-impaired persons for the programs  
2 specified in Sections 2881, 2881.1, and 2881.2.

3 (2) In order for the commission to ensure continued provision  
4 of telecommunications services and equipment for deaf, disabled,  
5 and hearing-impaired persons, the commission, subject to annual  
6 appropriation of funds by the Legislature and consistent with state  
7 contracting requirements, may contract with entities or persons  
8 that have the necessary expert knowledge, ability, and experience  
9 to provide, manage, or operate the programs described in Sections  
10 2881, 2881.1, and 2881.2.

11 (c) The commission may enter into contracts pursuant to  
12 subdivision (b) of Section 19130 of the Government Code for the  
13 services and equipment contemplated by the programs described  
14 in Sections 2881, 2881.1, and 2881.2.

15 (d) The commission may include provisions that accomplish  
16 any of the following in contracts authorized by this section:

17 (1) Establish standards and procedures, including prior  
18 commission approval, for subcontracting.

19 (2) Establish standards and procedures regarding personnel  
20 and accounting practices.

21 (3) Require budget approval.

22 (4) Require periodic audits.

23 (5) Monitor performance and establish performance standards  
24 and the method of evaluating performance, including remedies for  
25 unsatisfactory performance.

26 (6) Establish standards and procedures to investigate and  
27 resolve complaints.

28 (7) Provide for any other terms or restrictions as the  
29 commission finds necessary to ensure that the public funds are  
30 used in accordance with the goals of the Legislature and the  
31 commission.

32 (e) Notwithstanding any other provision of law, any contract  
33 entered into pursuant to this section may provide for periodic  
34 advance payments for telecommunications services to be  
35 performed or telecommunications equipment to be provided. No  
36 advance payment made pursuant to this section may exceed 25  
37 percent of the total annual contract amount.

38 (f) Any contractor the commission selects shall demonstrate  
39 knowledge of and the capacity to provide specialized  
40 telecommunications services and equipment to deaf, disabled, and



1 *hearing-impaired persons, and shall be required to consult with*  
 2 *the Telecommunications Access for Deaf and Disabled*  
 3 *Administrative Committee regarding the specialized needs of*  
 4 *individuals utilizing program services and equipment, as specified*  
 5 *in Sections 2881, 2881.1, and 2881.2.*

6 *(g) The commission shall, to the extent feasible and consistent*  
 7 *with state civil service requirements, employ staff overseeing the*  
 8 *programs described in Sections 2881, 2881.1, and 2881.2 who are*  
 9 *members of the deaf, disabled, and hearing-impaired community.*

10 *SEC. 4. This act is an urgency statute necessary for the*  
 11 *immediate preservation of the public peace, health, or safety*  
 12 *within the meaning of Article IV of the Constitution and shall go*  
 13 *into immediate effect. The facts constituting the necessity are:*

14 *In order to allow the Public Utilities Commission, prior to July*  
 15 *1, 2002, to contract with providers so that the programs to provide*  
 16 *telecommunications services and equipment for deaf, disabled,*  
 17 *and hearing-impaired persons may be operational, it is necessary*  
 18 *for this act to take effect immediately.*

19 *following:*

20 ~~*(a) The Public Utilities Commission issued in May 2001, a*~~  
 21 ~~*proposed transition plan regarding the transfer of six funds to the*~~  
 22 ~~*State Treasury associated with telecommunications public*~~  
 23 ~~*programs created and operated by the commission.*~~

24 ~~*(b) This act is intended to preserve the existing infrastructure*~~  
 25 ~~*of providers of service under the programs created with the six*~~  
 26 ~~*funds by allowing the commission, to the extent feasible, to*~~  
 27 ~~*contract with the network of existing service providers.*~~

28 ~~*SEC. 2. Section 278 of the Public Utilities Code is amended*~~  
 29 ~~*to read:*~~

30 ~~*278. (a) (1) There is hereby created the Deaf and Disabled*~~  
 31 ~~*Telecommunications Program Administrative Committee, which*~~  
 32 ~~*is an advisory board to advise the commission regarding the*~~  
 33 ~~*development, implementation, and administration of programs to*~~  
 34 ~~*provide specified telecommunications services and equipment to*~~  
 35 ~~*persons in this state who are deaf or disabled, as provided for in*~~  
 36 ~~*Sections 2881, 2881.1, and 2881.2, and to carry out the programs*~~  
 37 ~~*pursuant to the commission's direction, control, and approval.*~~

38 ~~*(2) In addition to the membership qualifications established by*~~  
 39 ~~*the commission pursuant to subdivision (a) of Section 271, the*~~  
 40 ~~*commission shall establish qualifications for persons to serve as*~~

1 ~~members of the Deaf and Disabled Telecommunications Program~~  
2 ~~Administrative Committee to achieve appropriate representation~~  
3 ~~by the consumers of telecommunications services for the deaf and~~  
4 ~~disabled.~~

5 ~~(b) All revenues collected by telephone corporations in rates~~  
6 ~~authorized by the commission to fund the programs specified in~~  
7 ~~subdivision (a) shall be submitted to the commission pursuant to~~  
8 ~~a schedule established by the commission. The commission shall~~  
9 ~~transfer the moneys received to the Controller for deposit in the~~  
10 ~~Deaf and Disabled Telecommunications Program Administrative~~  
11 ~~Committee Fund. All interest earned by moneys in the fund shall~~  
12 ~~be deposited in the fund. Any unexpended revenues collected prior~~  
13 ~~to the operative date of this section shall be submitted to the~~  
14 ~~commission, and the commission shall transfer those moneys to~~  
15 ~~the Controller for deposit in the Deaf and Disabled~~  
16 ~~Telecommunications Program Administrative Committee Fund.~~  
17 ~~In addition, those revenues that are collected pursuant to~~  
18 ~~subdivision (d) of Section 2881 shall be accounted for separately,~~  
19 ~~as required by subdivision (b) of Section 2881.2, and deposited in~~  
20 ~~the fund created by the commission pursuant to subdivision (b) of~~  
21 ~~Section 2881.2.~~

22 ~~(c) In order for the commission to carry out its responsibilities~~  
23 ~~related to the Deaf and Disabled Telecommunications Program,~~  
24 ~~the commission shall, to the extent feasible, contract with~~  
25 ~~agencies, including nonprofit entities, currently providing~~  
26 ~~services to the deaf and disabled.~~

27 ~~(d) Moneys appropriated from the Deaf and Disabled~~  
28 ~~Telecommunications Program Administrative Committee Fund to~~  
29 ~~the commission shall be utilized exclusively by the commission~~  
30 ~~for the program specified in subdivision (a), including all costs of~~  
31 ~~the board and the commission associated with the administration~~  
32 ~~and oversight of the program and the fund.~~