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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

An act to amend Sections 270.1 and 278 of, and to add ~~Section~~
Sections 278.5 and 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.

(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 the commission to 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~~ 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, *commencing July 1, 2003*, 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 the administration and governance 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 and, to the extent feasible, that one of those members have experience in the administration of similar deaf and disabled telecommunications programs. The bill would require, *commencing July 1, 2003*, that any staffing costs incurred by the commission for the oversight and administration of the deaf and disabled telecommunications programs be funded by moneys appropriated from the Deaf and Disabled Telecommunications Program Administrative Committee Fund.

(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, including nonprofit 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: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 270.1 of the Public Utilities Code is
2 amended to read:

3 270.1. (a) Notwithstanding any other provision of law, the
4 commission may authorize the trustee of the California High-Cost
5 Fund-B Trust to transfer to the Deaf Equipment Acquisition Fund
6 Trust (DEAF Trust) money sufficient to cover the costs of the
7 ~~program~~ *programs* as specified in subdivision (a) of Section 278,
8 including, but not limited to, all costs specified in subdivision (c)
9 of Section 278. The amount of any transfer of money authorized
10 may not exceed the cost of operating the ~~program~~ *programs* for six
11 months. The commission shall also establish other terms of the
12 transfer, as it determines to be appropriate.

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

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

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

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

32 (f) On July 1, 2002, any funds in the DEAF Trust deposited in
33 the memorandum account for purposes of reimbursing the
34 California High-Cost Fund-B Trust shall revert to the Controller
35 for deposit in the California High-Cost Fund-B Trust Committee

1 Fund in the State Treasury rather than the Deaf and Disabled
2 Telecommunications Program Administrative Committee Fund.

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

7 SEC. 2. Section 278 of the Public Utilities Code is amended
8 to read:

9 278. (a) (1) ~~There~~ *Commencing on July 1, 2003, there* is
10 hereby created the Telecommunications Access for Deaf and
11 Disabled Administrative Committee, formerly the Deaf and
12 Disabled Telecommunications Program Administrative
13 Committee, as an advisory board to advise the commission
14 regarding the development, implementation, and administration
15 of programs to provide specified telecommunications services and
16 equipment to persons in this state who are deaf or disabled, as
17 provided for in Sections 2881, 2881.1, and 2881.2.

18 (2) In addition to the membership qualifications established by
19 the commission pursuant to subdivision (a) of Section 271, the
20 commission shall establish qualifications for persons to serve as
21 members of the Telecommunications Access for Deaf and
22 Disabled Administrative Committee so that consumers of
23 telecommunications services for the deaf and disabled comprise
24 not less than two-thirds of the membership of the committee. To
25 the extent feasible, one of those members shall have experience in
26 the administration of programs similar to those provided for in
27 Sections 2881, 2881.1, and 2881.2. ~~It is the intent of the~~
28 ~~Legislature that existing members of the former Deaf and Disabled~~
29 ~~Telecommunications Program Administrative Committee should~~
30 ~~serve out their current terms of office as members of the~~
31 ~~committee.~~

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

35 ~~(A) Advise the commission regarding contracts and~~
36 ~~Administrative Committee shall advise the commission regarding~~
37 ~~contracts and~~ agreements related to the Deaf and Disabled
38 Telecommunications Program as specified in subdivisions (d) and
39 (e) of Section 2881.4.

~~(B) Develop and submit, not later than October 1, 2002, recommendations to the commission for the administration and governance of the programs described in Sections 2881, 2881.1, and 2881.2, including recommendations for the establishment of a designated office and program function, within state government, staffed in a manner designed to provide expert oversight and governance to ensure the long-term quality and integrity of programs and services offered through the Deaf and Disabled Telecommunications Program.~~

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the programs specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. Commencing on July 1, 2003, and continuing thereafter, the commission shall transfer the moneys received, and all unexpended revenue collected prior to July 1, 2003, to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund. Those revenues that are collected pursuant to subdivision (d) of Section 2881 shall be accounted for separately, as required by subdivision (b) of Section 2881.2, and deposited in the fund created by the commission pursuant to subdivision (b) of Section 2881.2.

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

~~(d) Staffing costs incurred by the commission for oversight and administration and oversight of the programs and the fund.~~

(d) Commencing on July 1, 2003, staffing costs incurred by the commission for oversight and administration of the programs described in subdivision (a) shall be funded by moneys appropriated from the Deaf and Disabled Telecommunications Program Administrative Committee Fund.

SEC. 3. *Section 278.5 is added to the Public Utilities Code, to read:*

278.5. (a) *It is the intent of the Legislature that existing members of the Deaf and Disabled Telecommunications Program*

1 *Administrative Committee should serve out their current terms of*
2 *office as members of the committee, but not to exceed July 1, 2003.*

3 *(b) The Deaf and Disabled Telecommunications Program*
4 *Administrative Committee shall develop and submit, not later than*
5 *October 1, 2002, recommendations to the commission for the*
6 *administration and governance of the programs described in*
7 *Sections 2881, 2881.1, and 2881.2, including recommendations*
8 *for the establishment of a designated office and program function,*
9 *within state government, staffed in a manner designed to provide*
10 *expert oversight and governance to ensure the long-term quality*
11 *and integrity of programs and services offered through the Deaf*
12 *and Disabled Telecommunications Program.*

13 SEC. 4. Section 2881.4 is added to the Public Utilities Code,
14 to read:

15 2881.4. (a) The Legislature finds and declares all of the
16 following:

17 (1) Section 278 requires the commission to transfer to the
18 Controller for deposit in the Deaf and Disabled
19 Telecommunications Program Administrative Committee Fund
20 all revenues collected by telephone corporations to fund programs
21 to provide specified telecommunications services and equipment
22 to deaf, disabled, and hearing-impaired persons, as specified in
23 Sections 2881, 2881.1, and 2881.2.

24 (2) The commission issued a report to the Legislature in May
25 2001, addressing compliance issues pertaining to the programs
26 specified in Sections 2881, 2881.1, and 2881.2, including a
27 recommendation to secure legislative authorization for the
28 commission to contract with outside entities for the provision of
29 services and equipment mandated by Sections 2881, 2881.1, and
30 2881.2.

31 (3) The telecommunications services and equipment provided
32 to deaf, disabled, and hearing-impaired individuals and their
33 families, as specified in Sections 2881, 2881.1, and 2881.2, are of
34 such a highly specialized and technical nature that the necessary
35 expert knowledge, ability, and experience are not available within
36 the current state civil service system.

37 (4) It is the intent of the Legislature, in enacting this section, to
38 do all of the following:

39 (A) Maintain the availability of the state's current statewide
40 infrastructure of telecommunications services and equipment to

1 deaf, disabled, and hearing-impaired persons, as provided for in
2 Sections 2881, 2881.1, and 2881.2, as essential to maintaining
3 public health and safety.

4 (B) Authorize the commission to enter into contracts for the
5 provision of telecommunications services and equipment for deaf,
6 disabled, and hearing-impaired persons in a manner that protects
7 and enhances the current statewide infrastructure and coordinated
8 delivery of those services and equipment and includes a priority
9 for maintaining long-term continuity of program administration
10 and maximum involvement of the deaf and disabled community
11 in program governance.

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

17 (D) Develop a mechanism to achieve ~~cost-effective~~
18 *cost-effective* and timely deployment of new and emerging
19 telecommunications technologies, to the extent fiscally and
20 economically feasible.

21 (b) In order for the commission to ensure continued provision
22 of telecommunications services and equipment for deaf, disabled,
23 and hearing-impaired persons, the commission, subject to annual
24 appropriation of funds by the Legislature and consistent with state
25 contracting requirements, may contract with entities, including
26 nonprofit entities, or persons that have the necessary expert
27 knowledge, ability, and experience to provide, manage, or operate
28 the programs described in Sections 2881, 2881.1, and 2881.2.

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

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

35 (1) Establish standards and procedures, including prior
36 commission approval, for subcontracting.

37 (2) Establish standards and procedures regarding personnel
38 and accounting practices.

39 (3) Require budget approval.

40 (4) Require periodic audits.

1 (5) Monitor performance and establish performance standards
2 and the method of evaluating performance, including remedies for
3 unsatisfactory performance.

4 (6) Establish standards and procedures to investigate and
5 resolve complaints.

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

10 (e) Notwithstanding any other provision of law, any contract
11 entered into pursuant to this section may provide for periodic
12 advance payments for telecommunications services to be
13 performed or telecommunications equipment to be provided. No
14 advance payment made pursuant to this section may exceed 25
15 percent of the total annual contract amount.

16 (f) Any contractor the commission selects shall demonstrate
17 knowledge of and the capacity to provide specialized
18 telecommunications services and equipment to deaf, disabled, and
19 hearing-impaired persons, and shall be required to consult with the
20 Telecommunications Access for Deaf and Disabled
21 Administrative Committee regarding the specialized needs of
22 individuals utilizing program services and equipment, as specified
23 in Sections 2881, 2881.1, and 2881.2.

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

28 ~~SEC. 4.~~

29 *SEC. 5.* This act is an urgency statute necessary for the
30 immediate preservation of the public peace, health, or safety
31 within the meaning of Article IV of the Constitution and shall go
32 into immediate effect. The facts constituting the necessity are:

33 In order to ensure the programs specified in Sections 2881,
34 2881.1, and 2881.2 of the Public Utilities Code remain in
35 continuous operation, it is necessary for this act to take effect
36 immediately.