

AMENDED IN SENATE JUNE 17, 2003

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1457

Introduced by Committee on Utilities and Commerce (Reyes (Chair), Richman (Vice Chair), Calderon, Campbell, Canciamilla, Diaz, Jerome Horton, La Malfa, La Suer, Levine, Maddox, Nunez, Ridley-Thomas, and Wolk)

February 21, 2003

An act relating to telecommunications, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1457, as amended, Committee on Utilities and Commerce. Telecommunications: High-Cost Fund-A.

Existing law, requires the Public Utilities Commission to develop, implement, and maintain a suitable program to establish a fair and equitable local rate structure aided by transfer payments to small independent telephone corporations serving rural and small metropolitan areas, in order to promote the goals of universal telephone service and to reduce any disparity in rates charged by small independent telephone corporations serving rural and small metropolitan areas. Moneys collected for this program are deposited into the California High-Cost Fund-A Administrative Committee Fund. Moneys in the fund may be expended, upon appropriation in the annual Budget Act.

This bill would appropriate \$2,500,000 from the fund for the purpose of ~~transferring funds~~ *transfer payments* to telephone corporations providing services in high cost areas and authorized to receive the funds, *for costs incurred during the 2001–02 fiscal year, except to the extent the appropriation is made in the Budget Act of 2003.* The bill would prohibit the commission from increasing any fee, charge, or rate as a result of this appropriation.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. There is hereby appropriated from the
2 California High-Cost Fund-A Administrative Committee Fund to
3 the Public Utilities Commission, two million five hundred
4 thousand dollars (\$2,500,000) for the purpose of ~~transferring~~
5 ~~funds~~ *transfer payments* to telephone corporations providing
6 services in high cost areas and authorized to receive these funds
7 pursuant to ~~Chapter 1.5 (commencing with Section 270) of Part 1~~
8 ~~of Division 1~~ *Section 275 of the Public Utilities Code, for costs*
9 *incurred during the 2001–02 fiscal year.*

10 SEC. 2. No fee, charge, or rate may be increased by the
11 commission as a result of the act adding this section.

12 SEC. 3. *Except as otherwise provided in this section, Section*
13 *1 of this act shall be inoperative if, in the determination of the*
14 *commission, an appropriation in the same amount is made in the*
15 *Budget Act of 2003 for the same purpose as Section 1 of this act.*
16 *Section 1 of this act shall be operative to the extent the amount of*
17 *the appropriation in Section 1 exceeds the amount of any*
18 *appropriations for the same purposes made in the Budget Act of*
19 *2003, as determined by the commission.*

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

24 The authority to expend ~~money~~ *moneys* from the California
25 High-Cost Fund-A Administrative Committee Fund in the Budget
26 Act for fiscal year 2001–02 was underestimated due to an

1 accounting misunderstanding. ~~Money~~ *Moneys* for the payments
2 due to be transferred to telephone corporations were collected and
3 deposited into these funds, but authorization to transfer the
4 moneys fell short of the amount due to be paid out by the end of
5 the fiscal year. The California High-Cost Fund-A Administrative
6 Committee Fund, among other things, provides funding for basic
7 telephone services to state residents who would not otherwise
8 receive these necessary services. In order to provide sufficient
9 revenues for the telephone corporations authorized to receive
10 these funds pursuant to Chapter 1.5 (commencing with Section
11 270) of Part 1 of Division 1 of the Public Utilities Code, to continue
12 providing services in high cost areas, it is necessary that this act
13 take effect immediately.

