

AMENDED IN SENATE APRIL 7, 2005

SENATE BILL

No. 396

Introduced by Senator Battin

February 17, 2005

An act to ~~add Section 1702.5 to the Public Utilities Code~~, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 396, as amended, Battin. Telecommunications: ~~extended area service toll call pricing.~~

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities and can establish its own procedures, subject to statutory limitations or directions and constitutional requirements of due process. The existing Public Utilities Act authorizes any person or corporation, and certain other entities, to bring a complaint before the commission claiming that a public utility is in violation of a provision of law or an order or rule of the commission, and imposes certain additional requirements upon the commission to entertain a complaint as to the reasonableness of any rates or charges of any gas, electrical, water, or telephone corporation. An existing decision of the commission prohibits the filing of new complaints to establish new extended area service routes in the state that allow the extension of the geographic reach of local toll-free telephone calls.~~

~~This bill would, notwithstanding that decision of the commission, require the commission to allow the filing of complaint cases seeking to establish new extended area service routes within the state.~~

~~Existing law authorizes the Public Utilities Commission to regulate telephone corporations.~~

~~This bill would require the commission to examine the impact of toll call pricing in the Coachella Valley and to consider whether~~

additional options are needed to serve that area. The bill would require the commission to consider whether any additional steps are necessary to encourage innovative pricing plans by incumbent and competitive carriers and would authorize the commission to consider whether customer education efforts or other measures that are in the public interest are necessary. The bill would require the commission to prepare and submit a report to the Legislature on or before July 1, 2007, regarding these issues.

The bill would provide that its provisions would be repealed on January 1, 2008.

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 1702.5 is added to the Public Utilities~~
2 ~~Code, to read:~~
3 ~~1702.5. (a) Notwithstanding the commission's Decision~~
4 ~~Number 98-06-075, the commission shall allow the filing of~~
5 ~~complaint cases seeking to establish new extended area service~~
6 ~~routes within the state.~~
7 ~~(b) For the purposes of this section, "extended area service"~~
8 ~~means telephone service authorized in certain designated~~
9 ~~communities that extends the geographic reach of a local toll-free~~
10 ~~calling area.~~
11 ~~SECTION 1. The Legislature finds and declares all of the~~
12 ~~following:~~
13 ~~(a) Population and economic growth in the Coachella Valley~~
14 ~~have outpaced many other areas of the state as residents and~~
15 ~~businesses have migrated to the area to establish homes,~~
16 ~~employment, and other community infrastructure.~~
17 ~~(b) The local interests of residents and businesses in the early~~
18 ~~communities in the Coachella Valley have expanded beyond~~
19 ~~those early communities to include community links throughout~~
20 ~~the valley.~~
21 ~~(c) Historically, extended area service (EAS) plans were~~
22 ~~available, before the enactment of the federal~~
23 ~~Telecommunications Act of 1996, for customers located in some~~
24 ~~established communities of interest to mitigate toll call pricing.~~
25 ~~However, in Public Utilities Commission Decision 98-06-075,~~

1 *the commission determined that with the advent of competition*
2 *for toll service, the public interest would be served by allowing*
3 *the market to offer customers choices for toll call pricing.*

4 *(d) There have been concerns in the Coachella Valley about*
5 *the impact of toll call pricing upon the greater community of*
6 *interest and commerce in the valley.*

7 *(e) The commission should investigate the effectiveness of the*
8 *competitive marketplace and consumer awareness in the*
9 *Coachella Valley and consider options to address these*
10 *concerns. The commission should consider what additional steps*
11 *might be necessary to encourage the availability of innovative*
12 *pricing options by incumbent and competitive carriers for*
13 *customers concerned about toll call pricing in the Coachella*
14 *Valley.*

15 *SEC. 2. The Public Utilities Commission shall examine the*
16 *impact of toll call pricing in the Coachella Valley and shall*
17 *consider whether additional options are needed to serve that*
18 *area. The commission shall consider whether any additional*
19 *steps are necessary to encourage innovative pricing plans by*
20 *incumbent and competitive carriers. The commission may also*
21 *consider whether customer education efforts or other measures*
22 *that are in the public interest are necessary. The commission*
23 *shall prepare and submit a report to the Legislature on or before*
24 *July 1, 2007, regarding these issues.*

25 *SEC. 3. The Legislature finds and declares that due to unique*
26 *circumstances relating to the Coachella Valley, a general statute*
27 *cannot be made applicable within the meaning of Section 16 of*
28 *Article IV of the California Constitution.*

29 *SEC. 4. This act shall remain in effect only until January 1,*
30 *2008, and as of that date is repealed, unless a later enacted*
31 *statute, that is enacted before January 1, 2008, deletes or extends*
32 *that date.*