

AMENDED IN SENATE JANUARY 5, 2006

AMENDED IN SENATE MARCH 30, 2005

**SENATE BILL**

**No. 850**

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**Introduced by Senator Escutia**

February 22, 2005

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An act to add Section 12019.5 to the Government Code, *and to amend Section 280.5 of*, and to add ~~Sections 871.9 and 883.5 to Section 871.9 to~~, the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 850, as amended, Escutia. Broadband telecommunications service.

(1) Under existing law, the State Chief Information Officer is part of the Governor's Office, and acts as the special advisor to the Governor on information technology issues.

This bill would require the State Chief Information Officer to develop a strategy for making broadband telecommunications service accessible to all areas of the state, as prescribed, and would require the State Chief Information Officer to prepare and submit to the Legislature a report on the strategy developed before January 1, 2007.

(2) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law imposes various duties on the commission with regard to the provision of universal telephone and telecommunications service.

*Existing law requires the Director of General Services to compile and maintain an inventory of state-owned real property, excluding certain property, that may be available for lease to providers of wireless telecommunications services for location of wireless*

*telecommunications facilities, and authorizes the director to negotiate and enter into an agreement for the lease of certain department-managed and state-owned real property to any provider of wireless telecommunications services for location of its facilities, subject to specified conditions.*

*Existing law creates the Digital Divide Account within the California Teleconnect Fund Administrative Committee Fund in the State Treasury. Existing law requires that 15% of the revenues from fees collected from the lease of state-owned real property to the providers of wireless telecommunication services pursuant to the above-described provisions, except for revenues from fees collected from a lease agreement for access to Department of Transportation property or a lease agreement existing prior to January 1, 2004, be deposited in the Digital Divide Account, to be available, upon appropriation by the Legislature, to finance digital divide projects through the Digital Divide Grant Program.*

~~This bill would require the commission to determine the availability of, and the level or degree of competition for, the provision of two-way broadband access, by census tract, and would require the commission to report its findings to the Legislature and the State Chief Information Officer on or before July 1, 2006 declare that the state's universal service policy should include the concept of universal availability of broadband service to all areas of the state, and would authorize moneys appropriated from the Digital Divide Account to be utilized to fund the costs incurred by the State Chief Information Officer to prepare and submit the broadband service strategy.~~

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 12019.5 is added to the Government
- 2 Code, to read:
- 3 12019.5. (a) The State Chief Information Officer shall
- 4 develop a strategy for making broadband telecommunications
- 5 service accessible to all areas of the state. In developing that
- 6 strategy, the State Chief Information Officer shall consider all of
- 7 the following:
- 8 (1) How to encourage the deployment of privately financed
- 9 broadband infrastructure.

1 (2) Where privately financed infrastructure will not be  
2 deployed in a timely manner, how to encourage publicly financed  
3 infrastructure.

4 (3) How public or private partnerships and cooperatives can be  
5 utilized.

6 ~~(b) The State Chief Information Officer shall determine~~  
7 ~~whether any state-owned or state-controlled facilities can be used~~  
8 ~~in furtherance of the state's universal service policy.~~

9 (e)

10 (b) Notwithstanding Section 7550.5, the State Chief  
11 Information Officer shall prepare and submit to the Legislature a  
12 report on the strategy developed pursuant to this section before  
13 January 1, ~~2007~~ 2008.

14 *SEC. 2. Section 280.5 of the Public Utilities Code is amended*  
15 *to read:*

16 280.5. (a) Of the revenues from fees collected pursuant to  
17 Section 14666.8 of the Government Code after the operative date  
18 of this section, except for revenues from fees from a lease  
19 agreement for access to Department of Transportation property  
20 or a lease agreement existing prior to the operative date of the  
21 section, 15 percent shall be available, upon appropriation by the  
22 Legislature, for the purpose of addressing the state's digital  
23 divide.

24 (b) Revenues described in subdivision (a) shall be deposited in  
25 the Digital Divide Account, which is hereby established in the  
26 California Teleconnect Fund Administrative Committee Fund  
27 established pursuant to Section 270, to be used only for digital  
28 divide pilot projects *and payment of the cost incurred to prepare*  
29 *and submit the broadband service strategy incurred pursuant to*  
30 *Section 12019.5 of the Government Code.* Not more than 5  
31 percent of the revenues described in subdivision (a) may be used  
32 to pay the costs incurred in connection with the administration of  
33 digital divide pilot projects by the commission.

34 (c) (1) The Digital Divide Grant Program is hereby  
35 established subject to the availability of funding pursuant to this  
36 section. The commission may not implement the grant program  
37 until the commission projects that at least five hundred thousand  
38 dollars (\$500,000) will be available in the Digital Divide  
39 Account during the calendar year following implementation,

1 based on money collected pursuant to Section 14666.8 of the  
2 Government Code.

3 (2) The commission shall provide grants pursuant to this  
4 subdivision on a competitive basis subject to criteria to be  
5 established by the commission and in a way that disburses the  
6 funds widely, including urban and rural areas. Grants shall be  
7 awarded to community-based nonprofit organizations that are  
8 exempt from taxation under Section 501(c)(3) of the Internal  
9 Revenue Code for the purpose of funding community technology  
10 programs.

11 (3) Recipients of grants pursuant to this subdivision shall  
12 report to the commission annually on the effectiveness of the  
13 grant program.

14 (4) The commission shall report to the Legislature and the  
15 Governor annually on the effectiveness of the program  
16 administered pursuant to this subdivision.

17 (d) For purposes of this section, “community technology  
18 programs” means a program that is engaged in diffusing  
19 technology in local communities and training local communities  
20 in the use of technology, especially local communities that  
21 otherwise would have no access or limited access to the Internet  
22 and other technologies.

23 (e) For purposes of this section, “digital divide projects”  
24 means community technology programs involved in activities  
25 that include, but are not limited to, the following:

26 (1) Providing open access to and opportunities for training in  
27 technology.

28 (2) Developing content relevant to the interests and wants of  
29 the local community.

30 (3) Preparing youth for opportunities in the new economy  
31 through multimedia training and skills.

32 (4) Harnessing technology for e-government services.

33 ~~SEC. 2.~~

34 *SEC. 3.* Section 871.9 is added to the Public Utilities Code, to  
35 read:

36 871.9. (a) The Legislature finds and declares all of the  
37 following:

38 (1) California has long had a policy of universal telephone  
39 service that resulted in programs that helped individuals obtain  
40 affordable access to basic telephone service.

1 (2) Broadband telecommunications service, whether provided  
2 by cable, fiber optic line, or wirelessly, provides much greater  
3 capability than basic telephone service.

4 (3) Broadband telecommunications service has been rapidly  
5 adopted, with about 30,000,000 broadband customers  
6 nationwide.

7 (4) However, broadband service is not offered in many areas  
8 of this state. About 25 percent of cities in this state do not have  
9 any broadband access.

10 (5) Broadband service is the foundation for our nation's  
11 continued technological and economic leadership.

12 (6) The absence of broadband is a barrier to economic  
13 development.

14 (7) The President of the United States has declared that the  
15 country should have universal, affordable broadband access by  
16 2007.

17 (b) The Legislature further finds and declares that this state's  
18 universal service policy should include the concept of universal  
19 availability of broadband *service* to all areas of the state.

20 ~~SEC. 3. Section 883.5 is added to the Public Utilities Code, to~~  
21 ~~read:~~

22 ~~883.5. The commission shall determine the availability of,~~  
23 ~~and the level or degree of competition for, the provision of~~  
24 ~~two-way broadband access, by census tract. Notwithstanding~~  
25 ~~Section 7550.5, the commission shall report its findings to the~~  
26 ~~Legislature and the State Chief Information Officer on or before~~  
27 ~~July 1, 2006.~~