

AMENDED IN ASSEMBLY AUGUST 24, 2006

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AMENDED IN SENATE APRIL 12, 2005

SENATE BILL

No. 909

Introduced by Senator Eesutia Bowen

(Principal coauthors: ~~Assembly Members Cohn, Houston, and
Ridley-Thomas~~)

(~~Coauthors: Senators Alarcon, Bowen, and Kuehl~~)

February 22, 2005

~~An act to add and repeal Chapter 7 (commencing with Section 11700) of Part 1 of Division 3 of Title 2 of the Government Code, relating to telecommunications. An act to amend Section 884 of the Public Utilities Code, relating to broadband services, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 909, as amended, *Eesutia Bowen*. *Broadband access services.*

Existing law establishes the California Teleconnect Fund Administrative Committee to advise the Public Utilities Commission regarding the implementation, development, and administration of a program to advance universal service by providing discounted rates to qualifying schools, libraries, hospitals, health clinics, and community organizations, and to carry out the program pursuant to the commission's direction, control, and approval (teleconnect program). Existing law establishes the California Teleconnect Fund

Administrative Committee Fund in the State Treasury, and requires that moneys from the fund may only be expended upon appropriation in the annual Budget Act and requires that the moneys appropriated be utilized exclusively by the commission for the authorized teleconnect programs. Existing law authorizes the commission to expend up to \$3,000,000 for up to an additional 40% of the one-time installation costs of advanced telecommunications services, as defined, for certain entities that do not have access to those services, from the unencumbered difference between what is appropriated and what is expended by the commission from the California Teleconnect Fund Administrative Committee Fund for the 2003–04 and 2004–05 fiscal years.

The Budget Act of 2006 reappropriated \$2,000,000 for the above-described purposes for encumbrance or expenditure until June 30, 2008,

This bill would instead authorize the commission to expend up to \$2,000,000 of the unencumbered amount for the nonrecurring installation costs of high-speed broadband services, as defined, for community organizations that are eligible for discounted rates pursuant to the teleconnect program. By removing the 40% limitation and expanding eligible expenses to nonrecurring installation costs, the bill would make an appropriation.

~~Existing law provides for various programs for the development of telecommunications services in the state.~~

~~This bill would, until January 1, 2010, establish the California Broadband Access Council in state government, with a specified membership, and require the council to develop a broadband access strategy to promote the ubiquitous use of high-speed Internet communications and computing technology by all Californians consistent with specified principles.~~

~~The bill would require the council to provide a specified annual report to the Legislature.~~

~~The bill would require the council to establish a nonprofit entity to fund community projects consistent with the strategy developed by the council. The bill would declare that the nonprofit entity is not an entity of state government.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

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

1 ~~SECTION 1. Section 884 of the Public Utilities Code is~~
2 ~~amended to read:~~

3 884. (a) It is the intent of the Legislature that any program
4 administered by the commission that addresses the inequality of
5 access to ~~advanced telecommunications~~ *high-speed broadband*
6 services by providing those services to schools and libraries at a
7 discounted price, provide comparable discounts to a nonprofit
8 community technology program.

9 ~~(b) If the moneys expended from the California Teleconnect~~
10 ~~Fund Administrative Committee Fund are less than the amounts~~
11 ~~appropriated in the annual Budget Act for the 2003-04 and~~
12 ~~2004-05 fiscal years, from the unencumbered difference between~~
13 ~~what was appropriated and what was expended, notwithstanding~~
14 ~~any other law or existing program of the commission but~~
15 ~~consistent with the purposes for which those funds are~~
16 ~~appropriated, the commission may expend up to three million~~
17 ~~dollars (\$3,000,000) for up to an additional 40 percent of the~~
18 ~~one-time installation costs for entities that do not have access to~~
19 ~~advanced telecommunications services. Notwithstanding any~~
20 ~~other law or existing program of the commission, but consistent~~
21 ~~with the purposes for which those funds were appropriated from~~
22 ~~the California Teleconnect Fund Administrative Committee Fund~~
23 ~~in Item 8660-001-0493 of Section 2.00 of the Budget Act of 2003~~
24 ~~(Chapter 157 of the Statutes of 2003), and reappropriated in Item~~
25 ~~8660-491 of Section 2.00 of the Budget Act of 2006 (Chapter 47~~
26 ~~of the Statutes of 2006), the commission may expend up to two~~
27 ~~million dollars (\$2,000,000) of the unencumbered amount of~~
28 ~~those funds for the nonrecurring installation costs for high-speed~~
29 ~~broadband services for community organizations that are eligible~~
30 ~~for discounted rates pursuant to Section 280.~~

31 (c) For the purpose of this section:

32 (1) ~~“Advanced telecommunications services” includes high~~
33 ~~speed communications services such as digital subscriber line~~
34 ~~(DSL) services and T-1 technology. “High-speed broadband~~
35 ~~services” means a system for the digital transmission of~~
36 ~~information over the Internet at a speed of at least 384 kilobits~~
37 ~~per second.~~

1 (2) “Nonprofit community technology program” means a
 2 community-based nonprofit organization that is exempt from
 3 taxation under Section 501(c)(3) of the Internal Revenue Code
 4 and engages in diffusing technology into local communities and
 5 training local communities that have no access to, or have limited
 6 access to, the Internet and ~~other~~ *advanced telecommunications*
 7 technologies.

8 ~~SECTION 1. Chapter 7 (commencing with Section 11700) is~~
 9 ~~added to Part 1 of Division 3 of Title 2 of the Government Code,~~
 10 ~~to read:~~

11
 12 ~~CHAPTER 7. BROADBAND ACCESS~~

13
 14 ~~Article 1. Findings and Declarations~~

15
 16 ~~11700. The Legislature finds and declares all of the~~
 17 ~~following:~~

18 ~~(a) Technological advancement in the communications and~~
 19 ~~computing industries brings the promise of a future with a highly~~
 20 ~~skilled workforce, high-paying jobs, telecommuting, greater~~
 21 ~~opportunities for self-employment, enhanced public safety,~~
 22 ~~greater access to, and improvement of, California’s educational~~
 23 ~~system, health care services and governmental services, and the~~
 24 ~~ability to connect to information. To ensure this future, a~~
 25 ~~thorough, comprehensive, and coherent strategy that looks at all~~
 26 ~~of the factors associated with the availability of, and demand for,~~
 27 ~~these technologies is needed.~~

28 ~~(b) There are barriers to the use of high-speed Internet access~~
 29 ~~and the services made available through that technology,~~
 30 ~~particularly for low-income, non-English-speaking, rural, and~~
 31 ~~disabled communities. These barriers can include technological~~
 32 ~~illiteracy and apprehension, lack of useful content, service~~
 33 ~~availability and security, unawareness of the benefits of the~~
 34 ~~technologies, the complexity of combining the equipment and~~
 35 ~~services necessary to make high-speed Internet access functional,~~
 36 ~~and cost. Therefore, strategic efforts should address the barriers~~
 37 ~~to availability and use of high-speed Internet access by these~~
 38 ~~communities.~~

1 ~~(e) California's state government agencies and institutions~~
2 ~~should increase public access to government services by using~~
3 ~~high-speed Internet access and related computing capabilities.~~

4 ~~(d) High-speed Internet access can be provided over many~~
5 ~~separate and unique technology platforms, including, but not~~
6 ~~limited to, cable, DSL, fiber, wireless, and powerline facilities.~~
7 ~~Policies designed to promote the availability and use of~~
8 ~~high-speed Internet access must be technology neutral so that~~
9 ~~those policies remain robust, competitive, and relevant to support~~
10 ~~existing, as well as emerging, technologies.~~

11 ~~(e) Deploying any type of technology platform capable of~~
12 ~~providing high-speed Internet access, including, but not limited~~
13 ~~to, cable, DSL, fiber, wireless, or powerline, requires significant~~
14 ~~capital investment and expertise to maintain state-of-the-art~~
15 ~~capabilities. California's policies should encourage this~~
16 ~~investment from the private sector as well as public-private~~
17 ~~cooperation.~~

18 ~~(f) Existing programs, laws, and policies that promote or~~
19 ~~impede the use of high-speed Internet access and computing~~
20 ~~technology, or provide incentives or disincentives for investment~~
21 ~~in technology platforms capable of providing high-speed Internet~~
22 ~~access and computing technology, must be reviewed and updated~~
23 ~~to promote high-speed Internet access and utilization.~~

24
25 ~~Article 2. California Broadband Access Council~~
26

27 ~~11701. (a) The California Broadband Access Council is~~
28 ~~hereby established in state government.~~

29 ~~(b) The council shall consist of 15 appointed members, as~~
30 ~~follows:~~

31 ~~(1) Eleven members appointed by the Governor, as follows:~~

32 ~~(A) An individual with expertise in using technology to~~
33 ~~develop and implement workforce training.~~

34 ~~(B) An individual with expertise in using technology to~~
35 ~~improve the delivery of health care.~~

36 ~~(C) An individual with expertise in using technology to assist~~
37 ~~rural economic development.~~

38 ~~(D) An individual with expertise in using technology to assist~~
39 ~~the disabled.~~

- 1 ~~(E) An individual with expertise in the telecommunications~~
2 ~~industry.~~
- 3 ~~(F) An individual with expertise in the computing industry.~~
- 4 ~~(G) An individual with expertise in developing online content~~
5 ~~for diverse communities.~~
- 6 ~~(H) An individual with expertise in the provision of~~
7 ~~Internet-based services.~~
- 8 ~~(I) An individual with expertise in local government and~~
9 ~~electronic access to government.~~
- 10 ~~(J) An individual with expertise in grantmaking and nonprofit~~
11 ~~management.~~
- 12 ~~(K) One member of the public whose experience will~~
13 ~~significantly contribute to the mission of the council.~~
- 14 ~~(2) Two members appointed by the Speaker of the Assembly,~~
15 ~~as follows:~~
- 16 ~~(A) An individual with expertise in using technology to serve~~
17 ~~those whose primary language is not English.~~
- 18 ~~(B) A member of the public whose experience will~~
19 ~~significantly contribute to the mission of the council.~~
- 20 ~~(3) Two members appointed by the Senate Committee on~~
21 ~~Rules, as follows:~~
- 22 ~~(A) An individual with expertise in using technology to~~
23 ~~enhance education.~~
- 24 ~~(B) A member of the public whose experience will~~
25 ~~significantly contribute to the mission of the council.~~
- 26 ~~(c) The Governor shall name a member appointed pursuant to~~
27 ~~paragraph (1) of subdivision (b) to serve as chair of the council~~
28 ~~for a two-year term or until the member's term otherwise expires,~~
29 ~~whichever is sooner.~~
- 30 ~~(d) Members shall serve without compensation, but may~~
31 ~~receive reasonable per diem and travel expenses.~~
- 32 ~~11702. (a) The council may do all of the following:~~
- 33 ~~(1) Hire staff.~~
- 34 ~~(2) Appoint one or more advisory councils.~~
- 35 ~~(3) Form committees and subcommittees.~~
- 36 ~~(4) Accept donations or private funds for its operations.~~
- 37 ~~(b) The council shall meet monthly until the broadband access~~
38 ~~strategy described in Section 11703 is completed, after which it~~
39 ~~shall meet quarterly.~~

1 ~~(e) The council shall provide an annual report to the~~
2 ~~Legislature on its activities and accomplishments.~~

3 ~~(d) The council shall not receive any funds through an~~
4 ~~appropriation in the annual Budget Act for any purpose.~~

5 ~~11703. (a) Within one year of its first meeting, the council~~
6 ~~shall develop a broadband access strategy to promote the~~
7 ~~ubiquitous use of high-speed Internet communications and~~
8 ~~computing technology by all Californians consistent with the~~
9 ~~findings and declarations set forth in Section 11700. In~~
10 ~~developing the strategy, the council shall recognize the~~
11 ~~following:~~

12 ~~(1) The use of high-speed Internet communications and~~
13 ~~computing technology also requires access to relevant~~
14 ~~applications, content, and training.~~

15 ~~(2) The use of high-speed Internet access and computing~~
16 ~~technology should be encouraged in low-income,~~
17 ~~non-English-speaking, rural, and disabled communities.~~

18 ~~(3) Technology should be used to help meet the state's needs~~
19 ~~in the areas of economic competitiveness, health care, and~~
20 ~~education.~~

21 ~~(b) The strategy shall provide grantmaking guidance to the~~
22 ~~nonprofit entity established pursuant to Section 11704.~~

23 ~~(e) For purposes of this chapter, "high-speed Internet~~
24 ~~communication" is an application that can use various~~
25 ~~technology platforms, including, but not limited to, cable, DSL,~~
26 ~~fiber, wireless, or powerline, which are capable of providing a~~
27 ~~high-speed connection to the Internet.~~

28 ~~11704. (a) The council shall establish a nonprofit entity~~
29 ~~pursuant to the Nonprofit Public Benefit Corporation Law (Part 2~~
30 ~~(commencing with Section 5110) of Division 2 of Title 1 of the~~
31 ~~Corporations Code), to implement a grant program to fund~~
32 ~~community projects consistent with the broadband access~~
33 ~~strategy developed pursuant to Section 11703, to promote the~~
34 ~~ubiquitous use of high-speed Internet communications and~~
35 ~~computing technology by all Californians.~~

36 ~~(b) The nonprofit entity shall be self-sustaining, and to that~~
37 ~~end may solicit and receive funds from any source, public or~~
38 ~~private, which may only be used for the administrative expenses~~
39 ~~of the nonprofit entity and the grant program described in~~
40 ~~subdivision (a).~~

1 ~~(e) The nonprofit entity shall not be construed to be an entity~~
2 ~~of state government.~~

3 ~~(d) The nonprofit entity shall not receive any funds through an~~
4 ~~appropriation in the annual Budget Act for any purpose.~~

5 ~~11705. This chapter shall remain in effect only until January~~
6 ~~1, 2010, and as of that date is repealed, unless a later enacted~~
7 ~~statute, that is enacted before January 1, 2010, deletes or extends~~
8 ~~that date.~~