

Senate Bill No. 909

Passed the Senate August 31, 2006

Secretary of the Senate

Passed the Assembly August 31, 2006

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2006, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, Bowen. Broadband 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 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.

Appropriation: yes.

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

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

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

(b) Notwithstanding any other law or existing program of the commission, but consistent with the purposes for which those funds were appropriated from the California Teleconnect Fund Administrative Committee Fund in Item 8660-001-0493 of Section 2.00 of the Budget Act of 2003 (Chapter 157 of the Statutes of 2003), and reappropriated in Item 8660-491 of Section 2.00 of the Budget Act of 2006 (Chapter 47 of the Statutes of 2006), the commission may expend up to two million dollars (\$2,000,000) of the unencumbered amount of those funds for the nonrecurring installation costs for high-speed broadband services for community organizations that are eligible for discounted rates pursuant to Section 280.

(c) For the purpose of this section:

(1) “High-speed broadband services” means a system for the digital transmission of information over the Internet at a speed of at least 384 kilobits per second.

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

Approved _____, 2006

Governor