

AMENDED IN ASSEMBLY APRIL 24, 2000

AMENDED IN ASSEMBLY APRIL 6, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1825

Introduced by Assembly Member Strom-Martin

February 3, 2000

An act to repeal, add, and repeal Article 3 (commencing with Section 15399.48) of Part 6.7 of Division 3 of Title 2 of the Government Code, to amend, repeal, and add Sections 270 and 280 of, and to add and repeal Section 280.5 of, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1825, as amended, Strom-Martin. Rural telecommunications infrastructure.

(1) Existing law establishes the California Rural Policy Task Force within the Office of Planning and Research in the Governor's office. The task force is composed of state officers and oversees the mobilization and effective delivery of resources to rural California.

This bill would, until January 1, 2006, establish the Rural Telecommunications Infrastructure Task Force within the ~~California Rural Policy Task Force~~ *California Teleconnect Fund Administrative Committee*. The Rural Telecommunications Infrastructure Task Force would develop resources and programs to facilitate community efforts to deploy telecommunications infrastructure in areas

not currently served. This task force would administer a grant program to provide community-based groups with resources to build telecommunications infrastructure, as prescribed. ~~The Trade and Commerce Agency~~ *California Teleconnect Fund Administrative Committee* would provide administrative support, and the Public Utilities Commission would provide technical assistance, as prescribed.

(2) Existing law provides for the California Teleconnect Fund Administrative Committee Fund to provide discounted rates for qualifying schools, libraries, health clinics, and community organizations and paid for in the utility rates authorized by the commission. Existing law also provides for an advisory board that ~~advise~~ *advises* the commission regarding this program, and creates a fund for each advisory board in the State Treasury in which funds generated by each of these programs is deposited. Existing law limits the expenditure of the moneys in this fund to the specified program and upon appropriation in the annual Budget Act.

This bill would, under the Public Utilities Act, until January 1, 2006, expand this program to include funding a grant program to build telecommunications infrastructure in rural areas, as prescribed. Upon appropriation, the funding would be derived from the fund up to a specified annual limit, as prescribed, and would be transferred to the Rural Telecommunications Infrastructure Task Force, as prescribed. The bill would require the commission to form a working group to develop technical criteria for evaluating the grants. Because, under the act, a violation of these provisions would be a crime, this bill would impose a state-mandated local program by creating new crimes.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



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

SECTION 1. Article 3 (commencing with Section 15399.48) of Part 6.7 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 2. Article 3 (commencing with Section 15399.48) is added to Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

Article 3. Rural Telecommunications Infrastructure
Task Force

15399.48. (a) The Rural Telecommunications Infrastructure Task Force is hereby created in the ~~California Rural Policy Task Force, to be composed of~~ *California Teleconnect Fund Administrative Committee to be composed of* members appointed by the ~~California Rural Policy Task Force—~~ *California Teleconnect Fund Administrative Committee.*

(b) The purpose of the task force is to develop programs and resources that facilitate community efforts to deploy telecommunications infrastructure in areas not currently served by existing local exchange carriers.

(c) The task force shall administer a needs-based grant program funded by a portion of the California Teleconnect Fund as set forth in Sections 280 and 280.5 of the Public Utilities Code. The ~~Trade and Commerce Agency—~~ *California Teleconnect Fund Administrative Committee* shall provide administrative support for the task force and the grant program.

(d) On or after July 1, 2001, any community-based group representing a qualifying community may apply for and receive grants to build an original telecommunications infrastructure that will serve an area that meets the grant program's population criteria and that currently lacks basic telecommunications services, *as described in Decision 96-10-066 of the Public Utilities Commission.* The task force, in conjunction with the Public Utilities Commission, shall establish eligibility criteria for community-based groups to qualify to apply

1 for telecommunications infrastructure grants. *Qualifying*
2 *communities shall have a median income no greater than*
3 *the top income level used in the Universal Lifeline*
4 *Telephone Service index.*

5 (e) Grant proposals shall be submitted to the task force
6 in accordance with procedures prescribed by the task
7 force and evaluated and awarded by the task force using
8 technology criteria developed by the
9 government-industry working group established by
10 Section 280.5 of the Public Utilities Code. *Grant proposals*
11 *shall contain all of the following:*

12 (1) *Preliminary engineering feasibility studies*
13 *conducted in cooperation with the local exchange carrier*
14 *that include all of the following:*

15 (A) *Topographical maps indicating the location of all*
16 *existing residences.*

17 (B) *Schematic maps of the proposed network*
18 *facilities.*

19 (C) *Recommendations and justifications for the*
20 *preferred technologies.*

21 (D) *Network compatibility statements from one or*
22 *more interconnecting carriers.*

23 (E) *Cost projections for the infrastructure facilities.*

24 (F) *Cost projections for the interconnection and*
25 *recurring service provisions.*

26 (G) *Projected budget for engineering feasibility*
27 *studies.*

28 (2) *Recommendations and letters of support from all*
29 *of the following:*

30 (A) *The county board of supervisors.*

31 (B) *Other affected local governments.*

32 (C) *Affected school districts.*

33 (D) *Affected emergency service providers.*

34 (E) *Affected law enforcement agencies.*

35 (3) *Letters of commitment from 75 percent of the*
36 *unserved population.*

37 (4) *A project schedule, including timeline and budget.*

38 (f) *Grant applicants that are rejected by the task force*
39 *shall be reimbursed for the cost of their preliminary*
40 *engineering feasibility studies from the grant program.*

(g) The procedures developed for awarding grants shall ensure that the grants awarded do not exceed annual moneys available to support the program, that not more than five grants are awarded per year, *that not more than one grant is awarded to a qualifying community*, and that no one applicant receive more than 25 percent of amounts transferred to the task force in a single fiscal year.

~~(g)~~

(h) *The Public Utilities Commission shall approve and award grants, by resolution, based upon the recommendations of the task force.*

(i) *The California Teleconnect Fund Administrative Committee shall advance grant awards directly to the local exchange carrier upon the adoption of a resolution of the Public Utilities Commission.*

(j) This chapter shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends that date.

SEC. 3. Section 270 of the Public Utilities Code is amended to read:

270. (a) The following funds are hereby created in the State Treasury:

(1) The California High-Cost Fund-A Administrative Committee Fund.

(2) The California High-Cost Fund-B Administrative Committee Fund.

(3) The Universal Lifeline Telephone Service Trust Administrative Committee Fund.

(4) The Deaf and Disabled Telecommunications Program Administrative Committee Fund.

(5) The Payphone Service Providers Committee Fund.

(6) The California Teleconnect Fund Administrative Committee Fund.

(b) Moneys in the funds may only be expended pursuant to this chapter and upon appropriation in the annual Budget Act.

1 (c) Moneys in each fund may not be appropriated, or
2 in any other manner transferred or otherwise diverted,
3 to any other fund or entity, except as provided for in
4 Sections 280 and 280.5.

5 (d) Notwithstanding Section 7550.5 of the
6 Government Code, on or before July 1, 2000, the Public
7 Utilities Commission, in consultation with the
8 Department of Finance, shall report to the Governor and
9 the Legislature regarding a transition plan for programs
10 associated with funds to be established within the State
11 Treasury, as specified in subdivision (a). The transition
12 plan report shall include information regarding the
13 annual revenue to be deposited in, and the annual
14 estimated expenditure for, each fund specified in
15 subdivision (a). Advisory committees created by Sections
16 275, 276, 277, 278, 279, and 280 shall provide information
17 and input to the commission in development of the
18 specified transition plan.

19 (e) This section shall remain in effect only until
20 January 1, 2006, and as of that date is repealed, unless a
21 later enacted statute, that is enacted before January 1,
22 2006, deletes or extends that date.

23 SEC. 4. Section 270 is added to the Public Utilities
24 Code, to read:

25 270. (a) The following funds are hereby created in
26 the State Treasury:

27 (1) The California High-Cost Fund-A Administrative
28 Committee Fund.

29 (2) The California High-Cost Fund-B Administrative
30 Committee Fund.

31 (3) The Universal Lifeline Telephone Service Trust
32 Administrative Committee Fund.

33 (4) The Deaf and Disabled Telecommunications
34 Program Administrative Committee Fund.

35 (5) The Payphone Service Providers Committee
36 Fund.

37 (6) The California Teleconnect Fund Administrative
38 Committee Fund.



1 (b) Moneys in the funds may only be expended
2 pursuant to this chapter and upon appropriation in the
3 annual Budget Act.

4 (c) Moneys in each fund may not be appropriated, or
5 in any other manner transferred or otherwise diverted,
6 to any other fund or entity.

7 (d) Notwithstanding Section 7550.5 of the
8 Government Code, on or before July 1, 2000, the Public
9 Utilities Commission, in consultation with the
10 Department of Finance, shall report to the Governor and
11 the Legislature regarding a transition plan for programs
12 associated with funds to be established within the State
13 Treasury, as specified in subdivision (a). The transition
14 plan report shall include information regarding the
15 annual revenue to be deposited in, and the annual
16 estimated expenditure for, each fund specified in
17 subdivision (a). Advisory committees created by Sections
18 275, 276, 277, 278, 279, and 280 shall provide information
19 and input to the commission in development of the
20 specified transition plan.

21 (e) This section shall become operative on January 1,
22 2006.

23 SEC. 5. Section 280 of the Public Utilities Code is
24 amended to read:

25 280. (a) There is hereby created the California
26 Teleconnect Fund Administrative Committee, which is
27 an advisory board to advise the commission regarding the
28 development, implementation, and administration of
29 programs to advance universal service. Consistent with
30 Chapter 278 of the Statutes of 1994, the programs provide
31 discounted rates to qualifying schools, libraries, hospitals,
32 health clinics, and community organizations, and funds
33 for the development of a grant program for the
34 construction of telecommunications infrastructure as set
35 forth in Section 15399.48 of the Government Code. The
36 California Teleconnect Fund Administrative Committee
37 shall carry out these programs pursuant to the
38 commission's direction, control, and approval.

39 (b) All revenues collected by telephone corporations
40 in rates authorized by the commission to fund the

1 ~~program~~ *programs* specified in subdivision (a) shall be
2 submitted to the commission pursuant to a schedule
3 established by the commission. The commission shall
4 transfer the moneys received to the Controller for deposit
5 in the California Teleconnect Fund Administrative
6 Committee Fund. All interest earned by moneys in the
7 fund shall be deposited in the fund. Any unexpended
8 revenues collected prior to the operative date of this
9 section shall be submitted to the commission, and the
10 commission shall transfer those moneys to the Controller
11 for deposit in the California Teleconnect Fund
12 Administrative Committee Fund.

13 (c) Moneys appropriated from the California
14 Teleconnect Fund Administrative Committee Fund to
15 the commission shall be utilized exclusively by the
16 commission for the programs specified in subdivision (a),
17 including all costs of the board and the commission
18 associated with the administration and oversight of the
19 programs and the fund.

20 (d) This section shall remain in effect only until
21 January 1, 2006, and as of that date is repealed, unless a
22 later enacted statute, that is enacted before January 1,
23 2006, deletes or extends that date.

24 SEC. 6. Section 280 is added to the Public Utilities
25 Code, to read:

26 280. (a) There is hereby created the California
27 Teleconnect Fund Administrative Committee, which is
28 an advisory board to advise the commission regarding the
29 development, implementation, and administration of a
30 program to advance universal service by providing
31 discounted rates to qualifying schools, libraries, hospitals,
32 health clinics, and community organizations, consistent
33 with Chapter 278 of the Statutes of 1994, and to carry out
34 the program pursuant to the commission's direction,
35 control, and approval.

36 (b) All revenues collected by telephone corporations
37 from rates authorized by the commission to fund the
38 program specified in subdivision (a) shall be submitted to
39 the commission pursuant to a schedule established by the
40 commission. The commission shall transfer the moneys

1 received to the Controller for deposit in the California
2 Teleconnect Fund Administrative Committee Fund. All
3 interest earned by moneys in the fund shall be deposited
4 in the fund. Any unexpended revenues collected prior to
5 the operative date of this section shall be submitted to the
6 commission, and the commission shall transfer those
7 moneys to the Controller for deposit in the California
8 Teleconnect Fund Administrative Committee Fund.

9 (c) Moneys appropriated from the California
10 Teleconnect Fund Administrative Committee Fund to
11 the commission shall be utilized exclusively by the
12 commission for the program specified in subdivision (a),
13 including all costs of the board and the commission
14 associated with the administration and oversight of the
15 program and the fund.

16 (d) This section shall become operative on January 1,
17 2006.

18 SEC. 7. Section 280.5 is added to the Public Utilities
19 Code, to read:

20 280.5. (a) The Rural Telecommunications
21 Infrastructure Task Force, upon appropriation of funds
22 from the California Teleconnect Fund Administrative
23 Committee Fund, not to exceed ten million dollars
24 (\$10,000,000) per year, may fund the telecommunications
25 infrastructure grant program established by Section
26 15399.48 of the Government Code.

27 ~~(b) Of the moneys appropriated pursuant to~~
28 ~~subdivision (a), one hundred fifty thousand dollars~~
29 ~~(\$150,000) shall be transferred by the Controller to the~~
30 ~~Trade and Commerce Agency for the administration of~~
31 ~~the grant program established by Section 15399.48 of the~~
32 ~~Government Code.~~

33 (b) Moneys appropriated from the California
34 Teleconnect Fund Administrative Committee Fund for
35 use by the telecommunications infrastructure grant
36 program shall be capped at 0.0006 against the billing base.
37 The California Teleconnect Fund Administrative
38 Committee may use that portion of moneys appropriated
39 pursuant to subdivision (a) the committee determines to
40 be necessary for the administration of the fund.

(c) The commission shall establish a procedure that allows any telecommunications provider subject to commission jurisdiction that is capable of providing telephone service to the grant funded service area an opportunity to provide the interconnection to the public switched network.

(d) The commission shall establish a government-industry working group to develop the technical criteria to be used in evaluating grant awards. The working group shall be composed of, but not limited to, the following:

(1) Representatives of the commission.

(2) Representatives of the incumbent local exchange carrier industry.

(3) Representatives of the competitive local exchange carrier industry.

(4) Representatives of the wireless carrier industry.

(e) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute enacted before January 1, 2006, deletes or extends that date.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

CORRECTIONS

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