

AMENDED IN ASSEMBLY MAY 23, 2011

AMENDED IN ASSEMBLY MAY 11, 2011

AMENDED IN ASSEMBLY MAY 5, 2011

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 841

Introduced by Assembly Member Buchanan

February 17, 2011

An act to add Section 285 to the Public Utilities Code, relating to telecommunications, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 841, as amended, Buchanan. Telecommunications: universal service: Voice over Internet Protocol (VoIP).

(1) Existing law, the federal Telecommunications Act of 1996, establishes a program of cooperative federalism for the regulation of telecommunications to attain the goal of local competition, while implementing specific, predictable, and sufficient federal and state mechanisms to preserve and advance universal service, consistent with certain universal service principles.

Existing law authorizes the Public Utilities Commission to supervise and regulate every public utility in the state, including telephone corporations.

Existing law establishes 6 funds in the State Treasury through which the state's universal service programs are funded. ~~Existing law requires that~~ *Under existing law*, moneys in the funds may only be expended

for specified purposes and upon appropriation in the annual Budget Act or upon supplemental appropriation.

This bill would require the commission to require interconnected Voice over Internet Protocol (VoIP) service providers to collect and remit surcharges on their California intrastate revenues in support of the universal service funds.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 285 is added to the Public Utilities Code,
 2 to read:

3 285. (a) As used in this section, “interconnected Voice over
 4 Internet Protocol (VoIP) service” has the same meaning as in
 5 Section 9.3 of Title 47 of the Code of Federal Regulations.

6 ~~(b) This section does not confer jurisdiction to the commission,
 7 or to any other entity, to regulate interconnected VoIP service or
 8 to regulate providers of interconnected VoIP service, except for
 9 the sole purpose to impose surcharges pursuant to this section. The
 10 sole purpose of this section is to ensure that end-use customers of
 11 interconnected VoIP service providers contribute to the funds
 12 enumerated in this section, and therefore, this section does not
 13 confer other authority or indicate legislative intent with respect to
 14 any other purpose.~~

15 *(b) The Legislature finds and declares that the sole purpose of
 16 this section is to require the commission to impose the surcharges
 17 pursuant to this section to ensure that end-use customers of
 18 interconnected VoIP service providers contribute to the funds
 19 enumerated in this section, and, therefore, this section does not
 20 indicate the intent of the Legislature with respect to any other
 21 purpose.*

22 (c) The commission shall require interconnected VoIP service
 23 providers to collect and remit surcharges on their California
 24 intrastate revenues in support of the following public purpose
 25 program funds:

26 (1) California High-Cost Fund-A Administrative Committee
 27 Fund under Section 275.

1 (2) California High-Cost Fund-B Administrative Committee
2 Fund under Section 276.

3 (3) Universal Lifeline Telephone Service Trust Administrative
4 Committee Fund under Section 277.

5 (4) Deaf and Disabled Telecommunications Program
6 Administrative Committee Fund under Section 278.

7 (5) California Teleconnect Fund Administrative Committee
8 Fund under Section 280.

9 (6) California Advanced Services Fund under Section 281.

10 (d) The authority to impose a surcharge pursuant to this section
11 applies only to a surcharge imposed on end-use customers for
12 interconnected VoIP service provided to an end-use customer's
13 place of primary use that is located within California. As used in
14 this subdivision, "place of primary use" means the street address
15 where the end-use customer's use of interconnected VoIP service
16 primarily occurs, or a reasonable proxy as determined by the
17 interconnected VoIP service provider, such as the customer's
18 registered location for 911 purposes.

19 (e) (1) For the purposes of determining what revenues are
20 subject to a surcharge imposed pursuant to this section, an
21 interconnected VoIP service provider may use any of the following
22 methodologies to identify intrastate revenues:

23 (A) The inverse of the interstate safe harbor percentage
24 established by the Federal Communications Commission for
25 interconnected VoIP service for federal universal service
26 contribution purposes, as these percentages may be revised from
27 time to time.

28 (B) A traffic study specific to the interconnected VoIP service
29 provider allocating revenues between the federal and state
30 jurisdictions.

31 (C) Another means of accurately apportioning interconnected
32 VoIP service between federal and state jurisdictions.

33 (2) The methodology chosen pursuant to paragraph (1) shall be
34 consistent with the revenue allocation methodology the provider
35 uses to determine its federal universal service contribution
36 obligations.

37 (3) It is the intent of the Legislature that a traffic study described
38 in subparagraph (B) of paragraph (1) is excluded from public
39 inspection pursuant to Public Utilities Commission General Order

1 66-C, because the disclosure of these studies would place the
2 provider at an unfair business disadvantage.

3 SEC. 2. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety within
5 the meaning of Article IV of the Constitution and shall go into
6 immediate effect. The facts constituting the necessity are:

7 In order to ensure the Public Utilities Commission has the
8 necessary statutory direction to fund the state's universal service
9 programs at the earliest possible time, it is necessary for this act
10 to take effect immediately.