

PUBLIC UTILITIES CODE

SECTION 270-281

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. Any appropriation from the California High-Cost Administrative Committee Fund-B for the purposes of the grant program established in Section 276.5 of the Public Utilities Code regarding rural telecommunications infrastructure, may not be made until all of the following events have occurred:

(1) The United States Supreme Court has decided *Iowa Utilities Board v. Federal Communications Commission* (219 F.3d 744 (8th Cir.)); certiorari granted January 22, 2001).

(2) The commission recalculates the statewide average cost to serve a residential line stated in Decision 96-10-066, as it determines to be appropriate.

(3) The commission is current on all claims made by carriers for service provided in high-cost areas, except for those claims that the commission is in the process of investigating, contesting, or disallowing.

(c) Moneys in each fund may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity, except as provided for in Sections 276 and 276.5.

(d) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

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.

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

entity.

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

270.1. (a) Notwithstanding any other provision of law, the commission may authorize the trustee of the California High-Cost Fund-B Trust to transfer to the Deaf Equipment Acquisition Fund Trust (DEAF Trust) money sufficient to cover the costs of the programs as specified in subdivision (a) of Section 278, including, but not limited to, all costs specified in subdivision (c) of Section 278. The amount of any transfer of money authorized may not exceed the cost of operating the programs for six months. The commission shall also establish other terms of the transfer, as it determines to be appropriate.

(b) The commission shall reimburse the California High-Cost Fund-B Trust for any transfer of money to the DEAF Trust authorized pursuant to subdivision (a), with interest as determined by the commission.

(c) A sum equivalent to the amount of money transferred to the Deaf Equipment Acquisition Fund Trust (DEAF Trust) pursuant to subdivision (a) is hereby appropriated from the Deaf and Disabled Telecommunications Program Administrative Committee Fund to the commission, for allocation to the California High-Cost Fund-B Trust, for purposes of subdivision (b).

(d) Funds may not be transferred from the California High-Cost Fund-B Trust to the DEAF Trust pursuant to subdivision (a) after September 30, 2001.

(e) Commencing on October 1, 2001, and until a date not later than June 30, 2002, reimbursements made to the California High-Cost Fund-B Trust pursuant to subdivisions (b) and (c) shall be deposited in a separate memorandum account within the DEAF Trust, subject to the terms specified in subdivision (b).

(f) On July 1, 2002, any funds in the DEAF Trust deposited in the memorandum account for purposes of reimbursing the California High-Cost Fund-B Trust shall revert to the Controller for deposit in the California High-Cost Fund-B Trust Committee Fund in the State Treasury rather than the Deaf and Disabled Telecommunications Program Administrative Committee Fund.

(g) Commencing on July 1, 2003, any funds remaining in the DEAF Trust, exclusive of those identified in subdivision (f), shall revert to the Deaf and Disabled Telecommunications Program Administrative Committee Fund in the State Treasury.

271. For each advisory board created pursuant to this chapter all of the following are applicable:

(a) The commission shall establish the number of, and qualifications for, persons to serve as members of each board, and shall appoint the members of each board. In determining the qualifications of persons who will serve as members of each board, the commission shall consider the purpose of the program, and shall attempt to achieve balanced public participation, for each board. The membership of each board shall reflect, to the extent possible, and consistent with existing law, the ethnic and gender diversity of the state.

(b) Each board shall determine, subject to approval by the commission, the time, location, and number of monthly meetings for each board.

(c) A majority of the number of members of each board constitutes a quorum.

(d) A board cannot act at a meeting without the presence of a quorum.

(e) The affirmative vote of a majority of those members present at the meeting of a board is necessary in order to pass any motion, resolution, or measure.

(f) The commission shall determine for each board whether the board members shall receive expense reimbursement pursuant to Section 19820 of the Government Code and a per diem allowance, as specified in Section 11564.5 of the Government Code, or as established by the commission. Each member of a board who is not a commission or public utility employee, or who is not otherwise compensated by an employer for service on the board, shall be entitled to make a claim for and to receive a per diem allowance, if authorized by the commission. Each member of a board who is not a public utility employee, or who is not otherwise reimbursed by an employer for expenses incurred when serving on the board, shall be entitled to make a claim for and to receive expense reimbursement, if authorized by the commission. The commission shall allow all reasonable expense and per diem claims. The payments in each instance shall be made only from the fund that supports the activities of the board and shall be subject to the availability of money in that fund. The claims shall be filed by the board with the commission.

273. Each advisory board created pursuant to this chapter shall do both of the following:

(a) Submit an annual budget to the commission. Within 90 calendar days after receiving a board's annual budget, the commission shall either accept, accept with conditions, or reject the submitted budget.

(b) Notwithstanding Section 7550.5 of the Government Code, submit, in accordance with procedures established by the commission, a report that shall describe the activities of the board during the prior reporting period. The report shall be submitted on an annual or more frequent basis, as ordered by the commission.

274. The commission may on its own order, whenever it determines it to be necessary, conduct financial audits of the revenues required to be collected and submitted to the commission for each of the funds specified in Section 270. The commission may on its own order, whenever it determines it to be necessary, conduct compliance audits on the compliance with commission orders with regard to each program subject to this chapter. The commission shall conduct a financial and compliance audit of program-related costs and activities at least once every three years. The first three-year period for a financial and compliance audit commences on July 1, 2002. The second and subsequent three-year periods for financial audits commence three years after the completion of the prior financial audit. The second and subsequent three-year periods for compliance audits commence three years after the completion of the prior compliance audit. The commission may contract with the Bureau of State Audits or the Department of Finance for all necessary auditing services. All costs for audits shall be paid from the fund that supports the activities of the board audited and shall be subject to the availability of money in that fund.

275. (a) There is hereby created the California High-Cost Fund-A Administrative Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of a program to provide for transfer payments to small independent telephone corporations providing local exchange services

in high-cost rural and small metropolitan areas in the state to create fair and equitable local rate structures, as provided for in Section 739.3, the development of a grant program for the construction of telecommunications infrastructure as set forth in Section 276.5, and to carry out the program pursuant to the commission's direction, control, and approval.

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the program specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. The commission shall transfer the moneys received to the Controller for deposit in the California High-Cost Fund-A Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

Any unexpended revenues collected prior to the operative date of this section shall be submitted to the commission, and the commission shall transfer those moneys to the Controller for deposit in the California High-Cost Fund-A Administrative Committee Fund.

(c) Moneys appropriated from the California High-Cost Fund-A Administrative Committee Fund to the commission shall be utilized exclusively by the commission for the program specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

(d) Telephone corporations receiving transfer payments for providing local exchange services in high-cost areas in the state under the program established to create fair and equitable local rate structures as provided for in Section 739.3 shall continue to be fully reimbursed for the costs they are entitled to recover pursuant to commission Decision 96-10-066.

(e) Any appropriation from the California High-Cost Fund-A Administrative Committee Fund for the purposes of the grant program established in Section 276.5 regarding rural telecommunications infrastructure, may not be made until the commission is current on all claims made by carriers for service provided in high-cost areas, except for those claims that the commission is in the process of investigating, contesting, or disallowing.

(f) This section 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.

275. (a) There is hereby created the California High-Cost Fund-A Administrative Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of a program to provide for transfer payments to small independent telephone corporations providing local exchange services in high-cost rural and small metropolitan areas in the state to create fair and equitable local rate structures, as provided for in Section 739.3, and to carry out the program pursuant to the commission's direction, control, and approval.

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the program specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. The commission shall transfer the moneys received to the Controller for deposit in the California High-Cost Fund-A Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

Any unexpended revenues collected prior to the operative date of this section shall be submitted to the commission, and the commission shall transfer those moneys to the Controller for deposit in the California High-Cost Fund-A Administrative Committee Fund.

(c) Moneys appropriated from the California High-Cost Fund-A Administrative Committee Fund to the commission shall be utilized

exclusively by the commission for the program specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

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

276. (a) There is hereby created the California High-Cost Fund-B Administrative Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of a program to provide for transfer payments to telephone corporations providing local exchange services in high-cost areas in the state to create fair and equitable local rate structures, as provided for in Section 739.3, and the development of a grant program for the construction of telecommunications infrastructure as set forth in Section 276.5, and to carry out the program pursuant to the commission's direction, control, and approval.

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the program specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. The commission shall transfer the moneys received to the Controller for deposit in the California High-Cost Fund-B Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

Any unexpended revenues collected prior to the operative date of this section shall be submitted to the commission, and the commission shall transfer those moneys to the Controller for deposit in the California High-Cost Fund-B Administrative Committee Fund.

(c) Moneys appropriated from the California High-Cost Fund-B Administrative Committee Fund to the commission shall be utilized exclusively by the commission for the programs specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

(d) Telephone corporations receiving transfer payments for providing local exchange services in high cost areas in the state under the program established to create fair and equitable local rate structures as provided for in Section 739.3 shall continue to be fully reimbursed for the costs they are entitled to recover pursuant to commission Decision 96-10-066.

(e) This section 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.

276. (a) There is hereby created the California High-Cost Fund-B Administrative Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of a program to provide for transfer payments to telephone corporations providing local exchange services in high-cost areas in the state to create fair and equitable local rate structures, as provided for in Section 739.3, and to carry out the program pursuant to the commission's direction, control, and approval.

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the program specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. The commission shall transfer the moneys received to the Controller for deposit in the California High-Cost Fund-B Administrative Committee Fund. All

interest earned by moneys in the fund shall be deposited in the fund.

Any unexpended revenues collected prior to the operative date of this section shall be submitted to the commission, and the commission shall transfer those moneys to the Controller for deposit in the California High-Cost Fund-B Administrative Committee Fund.

(c) Moneys appropriated from the California High-Cost Fund-B Administrative Committee Fund to the commission shall be utilized exclusively by the commission for the program specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

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

276.5. (a) The commission shall establish a grant program to aid in the establishment of telecommunications service in areas not currently served by existing local exchange carriers. The program shall be funded out of either the California High-Cost Administrative Committee Fund-A or the California High-Cost Administrative Committee Fund-B, or both, as determined by the commission, and the funding level may not exceed ten million dollars (\$10,000,000) per year.

(b) On or after July 1, 2002, any community-based group representing a qualifying community may apply for and receive grants to build an original telecommunications infrastructure that can provide basic telecommunications service that will serve an area that meets the grant program's population criteria with consideration given to communities with schools, hospitals, and health clinics, as set forth in Decision 96-10-066, and that currently lacks basic telecommunications services, as described in Decision 96-10-066 of the commission. A community-based group representing a qualifying community may alternatively apply for and receive a grant to subsidize the cost of the telecommunications service itself, if the group determines that this would be more cost-effective than subsidizing the building of an original telecommunications infrastructure. On or before June 30, 2002, the commission, shall establish eligibility criteria for community-based groups to qualify to apply for telecommunications infrastructure grants. The criteria shall include a requirement that a local agency, as defined by Section 50001 of the Government Code, or a town, as defined by Section 21 of the Government Code, shall act as the community-based group's fiscal agent for the receipt and distribution of funds. Qualifying communities shall have a median household income no greater than the income level used in the Universal Lifeline Telephone Service index for a family of four. The commission shall require that the telecommunications carrier that provides the service has the obligation to serve the community.

(c) Grant proposals shall be submitted in accordance with procedures prescribed by the commission and evaluated and awarded by the commission using technology criteria developed by the government-industry working group established by subdivision (h). Grant proposals shall contain all of the following:

(1) A letter from a local agency or town agreeing to act as a fiscal agent for the receipt and distribution of funds.

(2) Preliminary engineering feasibility studies conducted in cooperation with the local service providers that include all of the following:

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

(B) Schematic maps of the proposed network facilities.

(C) Recommendations and justifications for the preferred technologies.

(D) Network compatibility statements from one or more

interconnecting carriers.

(E) Cost projections for the infrastructure facilities.

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

(G) Projected budget for engineering feasibility studies.

(3) Recommendations and letters of support from all of the following:

(A) The county board of supervisors.

(B) Other affected local governments.

(C) Affected school districts.

(D) Affected emergency service providers.

(E) Affected law enforcement agencies.

(4) Letters of commitment from 75 percent of the unserved population.

(5) A project schedule, including timeline and budget.

(6) A management plan that assures the proper utilization of grant funds.

(7) Evidence that competing providers and competing technologies have been considered and evaluated.

(d) Grant applicants that are rejected by the commission may be reimbursed for the cost of their preliminary engineering feasibility studies, including, but not limited to, any approved cost of a local telecommunications carrier that contributes to the studies, from the grant program.

(e) 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 one grant is awarded to a qualifying community, and that no one applicant receive more than 25 percent of the designated program funds in a single fiscal year.

(f) In evaluating grant applications, the commission shall consider the cost effectiveness of the application, the number of people served, the level of local support, the ability of the community served to pay for the services delivered, and the effect on public health and safety.

(g) 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.

(h) Grant applicants shall seek to secure federal sources of funding in conjunction with local subsidies for the construction of telecommunications infrastructure.

(i) 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.

277. (a) There is hereby created the Universal Lifeline Telephone Service Trust Administrative Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of a program to ensure lifeline telephone service is available to the people of the state, as provided for in Article 8 (commencing with Section 871) of Chapter 4 of Part 1 of Division 1, and to carry out the program pursuant to the commission's direction, control, and approval.

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

subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. Commencing on October 1, 2001, and continuing thereafter, the commission shall transfer the moneys received, and all unexpended revenues collected prior to October 1, 2001, to the Controller for deposit in the Universal Lifeline Telephone Service Trust Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

(c) Moneys appropriated from the Universal Lifeline Telephone Service Trust Administrative Committee Fund to the commission shall be utilized exclusively by the commission for the program specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

278. (a) (1) Commencing on July 1, 2003, there is hereby created the Telecommunications Access for Deaf and Disabled Administrative Committee, formerly the Deaf and Disabled Telecommunications Program Administrative Committee, as an advisory board to advise the commission regarding the development, implementation, and administration of programs to provide specified telecommunications services and equipment to persons in this state who are deaf or disabled, as provided for in Sections 2881, 2881.1, and 2881.2.

(2) In addition to the membership qualifications established by the commission pursuant to subdivision (a) of Section 271, the commission shall establish qualifications for persons to serve as members of the Telecommunications Access for Deaf and Disabled Administrative Committee so that consumers of telecommunications services for the deaf and disabled comprise not less than two-thirds of the membership of the committee. To the extent feasible, one of those members shall have experience in the administration of programs similar to those provided for in Sections 2881, 2881.1, and 2881.2.

(3) As part of its advisory role, as specified in paragraph (1), the Telecommunications Access for Deaf and Disabled Administrative Committee shall advise the commission regarding contracts and agreements related to the Deaf and Disabled Telecommunications Program as specified in subdivisions (d) and (e) of Section 2881.4.

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the programs specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. Commencing on July 1, 2003, and continuing thereafter, the commission shall transfer the moneys received, and all unexpended revenue collected prior to July 1, 2003, to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

Those revenues that are collected pursuant to subdivision (d) of Section 2881 shall be accounted for separately, as required by subdivision (b) of Section 2881.2, and deposited in the fund created by the commission pursuant to subdivision (b) of Section 2881.2.

(c) Moneys appropriated from the Deaf and Disabled Telecommunications Program Administrative Committee Fund to the commission shall be utilized exclusively by the commission for the programs specified in subdivision (a), including all costs of the committee and the commission associated with the administration and oversight of the programs and the fund.

(d) Commencing on July 1, 2003, staffing costs incurred by the commission for oversight and administration of the programs described in subdivision (a) shall be funded by moneys appropriated from the Deaf and Disabled Telecommunications Program Administrative Committee Fund.

278.5. (a) It is the intent of the Legislature that existing members of the Deaf and Disabled Telecommunications Program Administrative Committee should serve out their current terms of office as members of the committee, but not to exceed July 1, 2003.

(b) The Deaf and Disabled Telecommunications Program Administrative Committee shall develop and submit, not later than October 1, 2002, recommendations to the commission for the administration and governance of the programs described in Sections 2881, 2881.1, and 2881.2, including recommendations for the establishment of a designated office and program function, within state government, staffed in a manner designed to provide expert oversight and governance to ensure the long-term quality and integrity of programs and services offered through the Deaf and Disabled Telecommunications Program.

279. (a) There is hereby created the Payphone Service Providers Committee, which is an advisory board to advise the commission regarding the development, implementation, and administration of programs to educate payphone service providers, ensure compliance with the commission's requirements for payphone operations, and educate consumers on matters related to payphones, as provided for in commission Decision 90-06-018, and to provide for the placement of telecommunications devices capable of servicing the needs of the deaf or the hearing impaired in existing buildings and public accommodations, as specified in subdivision (a) of Section 2881.2.

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the programs specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. Commencing on October 1, 2001, and continuing thereafter, the commission shall transfer the moneys received, and all unexpended revenues collected prior to October 1, 2001, to the Controller for deposit in the Payphone Service Providers Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

(c) Moneys appropriated from the Payphone Service Providers Committee Fund to the commission shall be utilized exclusively by the commission for the program specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

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

(b) All revenues collected by telephone corporations in rates authorized by the commission to fund the program specified in subdivision (a) shall be submitted to the commission pursuant to a schedule established by the commission. Commencing on October 1, 2001, and continuing thereafter, the commission shall transfer the moneys received, and all unexpended revenues collected prior to October 1, 2001, to the Controller for deposit in the California Teleconnect Fund Administrative Committee Fund. All interest earned by moneys in the fund shall be deposited in the fund.

(c) Moneys appropriated from the California Teleconnect Fund Administrative Committee Fund to the commission shall be utilized

exclusively by the commission for the program specified in subdivision (a), including all costs of the board and the commission associated with the administration and oversight of the program and the fund.

281. Any revenues that are deposited in funds created pursuant to this chapter shall not be used by the state for any purpose other than as specified in this chapter.

PUBLIC UTILITIES CODE

SECTION 2881-2890.1

2881. (a) The commission shall design and implement a program to provide a telecommunications device capable of serving the needs of individuals who are deaf or hearing impaired, together with a single party line, at no charge additional to the basic exchange rate, to any subscriber who is certified as an individual who is deaf or hearing impaired by a licensed physician and surgeon, audiologist, or a qualified state or federal agency, as determined by the commission, and to any subscriber that is an organization representing individuals who are deaf or hearing impaired, as determined and specified by the commission pursuant to subdivision (e). A licensed hearing aid dispenser may certify the need of an individual to participate in the program if that individual has been previously fitted with an amplified device by the dispenser and the dispenser has the individual's hearing records on file prior to certification.

(b) The commission shall also design and implement a program to provide a dual-party relay system, using third-party intervention to connect individuals who are deaf or hearing impaired and offices of organizations representing individuals who are deaf or hearing impaired, as determined and specified by the commission pursuant to subdivision (e), with persons of normal hearing by way of intercommunications devices for individuals who are deaf or hearing impaired and the telephone system, making available reasonable access of all phases of public telephone service to telephone subscribers who are deaf or hearing impaired. In order to make a dual-party relay system that will meet the requirements of individuals who are deaf or hearing impaired available at a reasonable cost, the commission shall initiate an investigation, conduct public hearings to determine the most cost-effective method of providing dual-party relay service to the deaf or hearing impaired when using a telecommunications device, and solicit the advice, counsel, and physical assistance of statewide nonprofit consumer organizations of the deaf, during the development and implementation of the system. The commission shall phase in this program, on a geographical basis, over a three-year period ending on January 1, 1987. The commission shall apply for certification of this program under rules adopted by the Federal Communications Commission pursuant to Section 401 of the federal Americans with Disabilities Act of 1990 (Public Law 101-336).

(c) The commission shall also design and implement a program whereby specialized or supplemental telephone communications equipment may be provided to subscribers who are certified to be disabled at no charge additional to the basic exchange rate. The certification, including a statement of medical need for specialized telecommunications equipment, shall be provided by a licensed physician and surgeon acting within the scope of practice of his or her license, or by a qualified state or federal agency as determined by the commission. The commission shall, in this connection, study the feasibility of, and implement, if determined to be feasible, personal income criteria, in addition to the certification of disability, for determining a subscriber's eligibility under this subdivision.

(d) The commission shall establish a rate recovery mechanism through a surcharge not to exceed one-half of 1 percent uniformly applied to a subscriber's intrastate telephone service, other than one-way radio paging service and universal telephone service, both

within a service area and between service areas, to allow providers of the equipment and service specified in subdivisions (a), (b), and (c), to recover costs as they are incurred under this section. The surcharge shall be in effect until January 1, 2006. The commission shall require that the programs implemented under this section be identified on subscribers' bills, and shall establish a fund and require separate accounting for each of the programs implemented under this section.

(e) The commission shall determine and specify those statewide organizations representing the deaf or hearing impaired that shall receive a telecommunications device pursuant to subdivision (a) or a dual-party relay system pursuant to subdivision (b), or both, and in which offices the equipment shall be installed in the case of an organization having more than one office.

(f) The commission may direct any telephone corporation subject to its jurisdiction to comply with its determinations and specifications pursuant to this section.

(g) The commission shall annually review the surcharge level and the balances in the funds established pursuant to subdivision (d). Until January 1, 2006, the commission shall be authorized to make, within the limits set by subdivision (d), any necessary adjustments to the surcharge to ensure that the programs supported thereby are adequately funded and that the fund balances are not excessive. A fund balance which is projected to exceed six months' worth of projected expenses at the end of the fiscal year is excessive.

(h) The commission shall prepare and submit to the Legislature, on or before December 31, 1988, and annually thereafter, a report on the fiscal status of the programs established and funded pursuant to this section and Sections 2881.1 and 2881.2. The report shall include a statement of the surcharge level established pursuant to subdivision (d) and revenues produced by the surcharge, an accounting of program expenses, and an evaluation of options for controlling those expenses and increasing program efficiency, including, but not limited to, all of the following proposals:

(1) The establishment of a means test for persons to qualify for program equipment or free or reduced charges for the use of telecommunication services.

(2) If and to the extent not prohibited under Section 401 of the federal Americans with Disabilities Act of 1990 (Public Law 101-336), the imposition of limits or other restrictions on maximum usage levels for the relay service, which shall include the development of a program to provide basic communications requirements to all relay users at discounted rates, including discounted toll call rates, and, for usage in excess of those basic requirements, at rates which recover the full costs of service.

(3) More efficient means for obtaining and distributing equipment to qualified subscribers.

(4) The establishment of quality standards for increasing the efficiency of the relay system.

(i) In order to continue to meet the access needs of individuals with functional limitations of hearing, vision, movement, manipulation, speech and interpretation of information, the commission shall perform ongoing assessment of, and if appropriate, expand the scope of the program to allow for additional access capability consistent with evolving telecommunications technology.

2881.1. (a) In addition to the requirements of Section 2881, the commission shall design and implement a program to provide a telecommunications device capable of servicing the needs of the deaf or severely hearing-impaired, together with a single party line, at no charge additional to the basic exchange rate, to any subscriber which is an agency of state government and which the commission

determines serves a significant portion of the deaf or severely hearing-impaired population, and to an office located in the State Capitol and selected by the Joint Rules Committee, for purposes of access by the deaf or severely hearing-impaired to Members of the Legislature.

(b) The commission shall permit providers of equipment and service specified in subdivision (a) to recover costs as they are incurred under this section pursuant to subdivision (d) of Section 2881.

(c) The commission may direct any telephone corporation subject to its jurisdiction to comply with its determinations pursuant to this section.

2881.2. (a) In addition to the requirements of Section 2881, the commission shall design and implement a program that shall provide for publicly available telecommunications devices capable of servicing the needs of the deaf or hearing impaired in existing buildings, structures, facilities, and public accommodations of the type specified in Section 4450 of the Government Code and Sections 19955.5 and 19956 of the Health and Safety Code, making available reasonable access of all phases of public telephone service to individuals who are deaf or hearing impaired. The commission shall direct the appropriate committee under its control to determine and specify locations within existing buildings, structures, facilities, and public accommodations in need of a telecommunications device and to contract for the procurement, installation, and maintenance of these devices. In the letting of the contract, the commission shall direct the committee to ensure consideration of for-profit and nonprofit corporations, including nonprofit corporations with demonstrated service to individuals who are deaf or hearing impaired and whose boards of directors and staff are made up of a majority of those individuals. The commission shall also direct the committee to seek the cooperation of the owners, managers, and tenants of the existing buildings, structures, facilities, and public accommodations that have been determined to be in need of a telecommunications device with regard to its installation and maintenance. The commission shall phase in this program over a reasonable period of time, beginning no later than January 1, 1998, giving priority to those existing buildings, structures, facilities, and public accommodations determined by the commission, with the advice and counsel of statewide nonprofit consumer organizations for the deaf, to be of most importance and usefulness to the deaf or hearing impaired.

(b) The commission shall ensure that costs are recovered as they are incurred under this section, including any costs incurred by the owners, managers, or tenants of existing buildings, structures, facilities, and public accommodations, and shall utilize for this purpose the rate recovery mechanism established pursuant to subdivision (d) of Section 2881. The commission shall also establish a fund and require separate accounting for the program implemented under this section and, in addition, shall require that the surcharge utilized to fund the program not exceed two-hundredths of 1 percent, that it be combined with the surcharge required by subdivision (d) of Section 2881, and that it count toward the limits set by that subdivision. This surcharge shall be in effect until January 1, 2006.

(c) "Existing buildings, structures, facilities, and public accommodations," for the purposes of this section, means those buildings, structures, facilities, and public accommodations or parts thereof that were constructed or altered prior to January 26, 1993, or are otherwise not required by Section 303 of the federal Americans with Disabilities Act of 1990 (Public Law 101-336) (42 U.S.C. Sec. 12183) or any other section of that act and its implementing regulations and guidelines, to have a publicly available

telecommunications device capable of serving the needs of the deaf or hearing impaired.

2881.4. (a) The Legislature finds and declares all of the following:

(1) Section 278 requires the commission to transfer to the Controller for deposit in the Deaf and Disabled Telecommunications Program Administrative Committee Fund all revenues collected by telephone corporations to fund programs to provide specified telecommunications services and equipment to deaf, disabled, and hearing-impaired persons, as specified in Sections 2881, 2881.1, and 2881.2.

(2) The commission issued a report to the Legislature in May 2001, addressing compliance issues pertaining to the programs specified in Sections 2881, 2881.1, and 2881.2, including a recommendation to secure legislative authorization for the commission to contract with outside entities for the provision of services and equipment mandated by Sections 2881, 2881.1, and 2881.2.

(3) The telecommunications services and equipment provided to deaf, disabled, and hearing-impaired individuals and their families, as specified in Sections 2881, 2881.1, and 2881.2, are of such a highly specialized and technical nature that the necessary expert knowledge, ability, and experience are not available within the current state civil service system.

(4) It is the intent of the Legislature, in enacting this section, to do all of the following:

(A) Maintain the availability of the state's current statewide infrastructure of telecommunications services and equipment to deaf, disabled, and hearing-impaired persons, as provided for in Sections 2881, 2881.1, and 2881.2, as essential to maintaining public health and safety.

(B) Authorize the commission to enter into contracts for the provision of telecommunications services and equipment for deaf, disabled, and hearing-impaired persons in a manner that protects and enhances the current statewide infrastructure and coordinated delivery of those services and equipment and includes a priority for maintaining long-term continuity of program administration and maximum involvement of the deaf and disabled community in program governance.

(C) Strengthen program priorities for expanded outreach through continuing consultation with, and participation by, the deaf, disabled, and hearing-impaired community in order to ensure the state's network of services reach hard-to-serve populations, including rural, innercity, and urban areas.

(D) Develop a mechanism to achieve cost-effective and timely deployment of new and emerging telecommunications technologies, to the extent fiscally and economically feasible.

(b) In order for the commission to ensure continued provision of telecommunications services and equipment for deaf, disabled, and hearing-impaired persons, the commission, subject to annual appropriation of funds by the Legislature and consistent with state contracting requirements, may contract with entities, including nonprofit entities, or persons that have the necessary expert knowledge, ability, and experience to provide, manage, or operate the programs described in Sections 2881, 2881.1, and 2881.2.

(c) The commission may enter into contracts pursuant to subdivision (b) of Section 19130 of the Government Code for the services and equipment contemplated by the programs described in Sections 2881, 2881.1, and 2881.2.

(d) The commission may include provisions that accomplish any of the following in contracts authorized by this section:

(1) Establish standards and procedures, including prior commission approval, for subcontracting.

(2) Establish standards and procedures regarding personnel and accounting practices.

(3) Require budget approval.

(4) Require periodic audits.

(5) Monitor performance and establish performance standards and the method of evaluating performance, including remedies for unsatisfactory performance.

(6) Establish standards and procedures to investigate and resolve complaints.

(7) Provide for any other terms or restrictions as the commission finds necessary to ensure that the public funds are used in accordance with the goals of the Legislature and the commission.

(e) Notwithstanding any other provision of law, any contract entered into pursuant to this section may provide for periodic advance payments for telecommunications services to be performed or telecommunications equipment to be provided. No advance payment made pursuant to this section may exceed 25 percent of the total annual contract amount.

(f) Any contractor the commission selects shall demonstrate knowledge of and the capacity to provide specialized telecommunications services and equipment to deaf, disabled, and hearing-impaired persons, and shall be required to consult with the Telecommunications Access for Deaf and Disabled Administrative Committee regarding the specialized needs of individuals utilizing program services and equipment, as specified in Sections 2881, 2881.1, and 2881.2.

(g) The commission shall, to the extent feasible and consistent with state civil service requirements, employ staff overseeing the programs described in Sections 2881, 2881.1, and 2881.2 who are members of the deaf, disabled, and hearing-impaired community.

2883. (a) All local telephone corporations, excluding wireless and cellular telephone corporations, shall, to the extent permitted by existing technology or facilities, provide every existing and newly installed residential telephone connection with access to "911" emergency service regardless of whether an account has been established.

(b) The commission shall prohibit any corporation from terminating access to the services described in subdivision (a) for nonpayment of any delinquent account or indebtedness owed by the subscriber to the telephone corporation. A subscriber and a telephone corporation may arrange payment schedules to regain full service.

(c) The commission shall require telephone corporations to inform subscribers of the availability of the services described in subdivision (a) in a manner determined by the commission.

(d) This section shall not be construed to relieve any person of an obligation to pay a debt owed to a telephone corporation.

(e) Nothing in this section shall require a local telephone corporation to provide "911" access pursuant to this section if doing so would preclude providing service to subscribers of residential telephone service.

2884. (a) The commission shall, pursuant to its existing authority, by rule or order, establish procedures governing telephone corporation billing practices and operations to require every telephone corporation, on and after July 1, 1986, or on and after another date or dates which the commission finds and determines to be appropriate and feasible with respect to the capability of particular telephone equipment, to offer residential subscribers the option of deleting access to a class of information-access telephone

service, commonly referred to as "900 or 976 service," whereby recorded commercial, informational, or public service messages, interactive computer programs, and other services, are provided for a charge, in addition to the basic local exchange charge, to the person calling, and to notify new residential subscribers of the options available to delete information-access services through telephone service.

The commission shall specify a method or methods for telephone corporations to institute this deletion of access option for residential subscribers, taking into consideration the operational requirements of the various types of telephone equipment in use throughout the state. The commission shall impose no charge on residential telephone subscribers for this deletion of access option, and shall require telephone corporations to refund to subscribers any amounts paid prior to the effective date of the amendments to this section enacted in 1988 for deletion of access. The commission shall determine and implement a method by which telephone corporations shall be recompensed for the expenses of providing this deletion of access option.

(b) The commission shall require every telephone corporation which furnishes information-access telephone service to make available a separate, easily distinguishable telephone prefix number for information providers which provide messages which constitute harmful matter and for those who provide other than messages which constitute harmful matter, and to request every information provider to designate which prefix corresponds to the type of messages it proposes to provide. Any information provider which provides any live or recorded message constituting harmful matter through any information-access telephone number other than one within the prefix assigned to information providers furnishing messages constituting harmful matter is in violation of Section 2111. The commission shall require the telephone corporation to offer residential subscribers the option of deleting access to the telephone prefix number by which messages constituting harmful matter are accessed, pursuant to subdivision (a), and shall determine and implement a method by which a telephone corporation shall be recompensed for the expenses of providing this deletion of access option to residential subscribers.

(c) As used in this section, "harmful matter" means harmful matter as defined in subdivision (a) of Section 313 of the Penal Code.

(d) If any provision of this section or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

2884.2. (a) Except as specified in subdivision (b), the billing and collection practices of a telephone corporation for services rendered to or for an information service that contains harmful matter, as defined in subdivision (a) of Section 313 of the Penal Code, are not subject to the jurisdiction and control of the commission, notwithstanding Section 2884, but are a matter for contractual arrangement between the telephone corporation and the information provider.

(b) Nothing in subdivision (a) affects the commission's jurisdiction over billing and collection for any other information service.

(c) The commission may, on complaint or on its own motion, after a hearing, find and determine that circumstances including, but not limited to, anticompetitive results, require the exercise of jurisdiction and control by it over those matters removed from its jurisdiction and control by subdivision (a), and may then exercise

that jurisdiction and control.

(d) Subdivision (a) applies only to that class of information-access telephone service furnished within or between service areas, as defined in Section 230.3, through the use of either a "976" prefix or a "900" access code telephone number, and applies only to billing and collection services in that class of service.

(e) The commission may investigate and consider, for purposes of establishing telephone rates, revenues and expenses related to any billing or collection services rendered by a telephone corporation to or for an information provider.

(f) A telephone corporation shall, before refusing to provide billing and collection services for any information service, give the information provider of that service and the commission not less than 30 days' advance notice.

(g) If a telephone corporation elects to enter into a contractual arrangement to provide billing and collection services to an information provider, the telephone corporation shall provide those services to the information provider under the same terms, conditions, and rates that the service is offered to all other information providers contracting for the services. The telephone corporation shall provide copies of the contracts to the commission and, on request, to any other interested party.

(h) Notwithstanding Section 17024 of the Business and Professions Code, billing and collection services described in subdivision (a) are services subject to Part 2 (commencing with Section 16600) of Division 7 of that code. A person or firm claiming a violation of Section 17045 of that code, with respect to those services, may proceed in accordance with Article 4 (commencing with Section 17070) of Chapter 4 of Part 2 of Division 7 of that code, or pursue any other remedy available under law.

2884.5. Notwithstanding Section 2884, the commission shall require that telephone subscriber access to information services providing messages which constitute harmful matter, as defined in Section 313 of the Penal Code, be furnished by an information provider or its agent on a subscription basis only.

2884.6. (a) The commission shall require telephone corporations and providers of information-access telephone services to institute a method of handling subscriber complaints concerning these services, which shall include provision for a waiver of all of the charges for these services for a first occasion of their inadvertent or mistaken use.

(b) Every telephone corporation and provider of information-access telephone services providing messages that constitute harmful matter, as defined in Section 313 of the Penal Code, shall provide for a one-time waiver of all subscriber charges associated with a collect call when the call contains harmful matter and the person making or accepting the call is a minor.

2885. The commission shall, on or before July 1, 1987, determine the feasibility of requiring that, whenever a call is placed from a cellular telephone, the person receiving the call receive a notification indicating that the call is being placed from a cellular telephone and that the telephone conversation may not be totally private. The determination of feasibility shall include findings and conclusions on the necessity for, and the costs of, implementing a

cellular telephone call notification system and on subscriber reaction to the notification system or systems proposed or employed. If the commission determines, in view of its findings and conclusions, that it is feasible for telephone corporations to implement a cellular telephone call notification system, it shall, by rule or order, require telephone corporations operating cellular telephones to implement that system.

2885.6. (a) The commission shall require cellular telephone carriers to provide the commission, within six months of the effective date of the act that adds this section, and thereafter as requested by the commission, with information, as specified by the commission, concerning service quality and customer complaints.

(b) In addition to any other sanctions available, the commission shall have the authority to assess any and all of the following specific penalties for cellular telephone carrier noncompliance with commission rules, practices, and procedures respecting the filing of required periodic information and reports to the commission:

(1) The revocation or suspension, on an expedited basis, of temporary tariffing authority granted the carrier.

(2) The revocation or suspension, on an expedited basis, of other rate flexibility or promotional program authority granted the carrier.

2886. (a) The commission shall require every telephone corporation furnishing cellular radio telephone service to establish a pricing system made available to subscribers that shall distinguish on the billing invoice charges to a subscriber for calls not completed from any other service charge on the billing invoice.

(b) The commission shall require that those calls which are not completed shall not be charged more than 50 percent of the charge established for completed subscriber initiated calls.

(c) For purposes of this section, a call is not completed when it originates from the cellular radio telephone unit and any of the following occurs:

(1) The terminating line is busy and the originator receives a busy signal.

(2) The terminating line does not answer and the originator receives an audible ring.

(3) No radios are available and the originator receives a reorder signal.

(4) The mobile telephone switching office cannot connect the call to the public network and the originator receives a reorder signal.

(5) The public network cannot complete the call to the terminating number and the originator receives a reorder signal.

2888. The commission shall pursue all available legal remedies to redraw intrastate inter-exchange, also known as local access and transport area, or LATA, boundaries for the purpose of eliminating restrictions that result in discriminatory costs, added inconvenience, and less service for consumers of telecommunications services solely in and between the Counties of Monterey and Santa Cruz.

2889. (a) An information provider engaged in furnishing any live, recorded, or recorded-interactive audio text through information access telephone service shall provide a (1) delayed timing of

information charges and (2) price disclosure message.

(b) The telephone corporation shall provide information providers, described in subdivision (a), with a period of a minimum of 12 seconds for a delayed timing of information charges and price disclosure message. If the delayed timing period is exceeded, a consumer shall be billed from the time of the initial connection, and transport charges shall be billed to the information provider from the time of the initial connection. If the consumer disconnects the call within the delayed timing period, no information charge shall be billed to the caller.

(c) (1) During the delayed timing period, the information provider shall inform the consumer of all of the following:

(A) The name of the programs.

(B) The information charge for the call.

(C) The date the information was recorded, if the information is a recorded message.

(D) That if the caller disconnects the call within the delayed timing period, the consumer will not be charged for the call.

(2) This information shall be provided at the beginning of every call and at least three seconds shall be allowed at the end of the message within the delayed timing period for the consumer to hang up without being charged if he or she has not already disconnected the call. The information provider shall provide a tone to indicate the end of the delayed timing period.

(d) This section does not apply to audiotex programs with restricted access via personal identification number (PIN) code or special password.

(e) As used in this section, "delayed timing of information charges" means a service feature which delays commencement of billing of charges for a minimum of 12 seconds in order to provide the information required by subdivision (c).

(f) Every violation of this section is a misdemeanor.

2889.2. No telephone corporation or provider of information-access telephone services shall charge the subscribing party for a call made to a telephone number with an "800" prefix, unless the telephone number with an "800" prefix is an information service complying with the presubscription requirements imposed by Federal Communications Commission Docket No. 93-22.

2889.3. (a) (1) Before a telephone corporation exits the business of providing interexchange services to all of its customers or to an entire class of its customers, the telephone corporation or any person, firm, or corporation representing the telephone corporation, shall provide those affected customers with a written notice at least 30 days prior to the proposed transfer of those customers to another telephone corporation. The notice shall include all of the following:

(A) A straightforward description of the proposed transfer.

(B) All applicable rates, terms, and conditions of the new service.

(C) A statement of the customer's right to transfer to another telephone corporation.

(D) A toll-free customer service telephone number for the purpose of responding to customers' questions.

(2) Any transfer of customer services shall be effectuated without charge.

(b) Subdivision (a) does not apply when the telephone corporation has entered into a written contract with the customer and when the change in telephone corporation results in no rate increase for the

customer.

2889.4. (a) A local exchange service provider that offers and charges for pay per use features that do not require an access code to be dialed to activate the service shall provide a new residential subscriber, including an existing residential customer ordering an additional line, during the verbal service order process, with information about those features. The representatives of a provider shall offer that subscriber blocking options for those features.

(b) (1) A local exchange service provider that offers the features described in subdivision (a) shall advise an existing residential subscriber who inquires about the features, or who seeks a bill adjustment for the inadvertent or unauthorized use of those per use custom calling features, that the features can be blocked and shall inquire as to whether the subscriber would like to block any or all of the features.

(2) (A) A local exchange service provider that offers the features described in subdivision (a) shall provide notice to all existing residential subscribers not later than May 1, 2000, describing all features provided on a per use basis, the charge for each activation, any additional usage or other charges, and detailed information about the ability to block these features.

(B) The notice shall contain a toll-free number for further information and shall contain a noticeable postcard size bill insert that may be returned in the subscriber's bill envelope if they wish to block any or all of the per use features described in subdivision (a).

(c) A local exchange service subscriber that has not blocked per use features in accordance with this section is entitled to a one-time bill adjustment which shall equal the sum of the charges for every incident that occurred during the first billing cycle pursuant to which the subscriber notifies the local exchange service provider that inadvertent or unauthorized activation occurred with regard to those per use services that do not require coded dialing to activate.

The one-time bill adjustment shall include an adjustment for any additional usage charges occurring as a result of inadvertent or unauthorized activation. The adjustment shall take the form of a credit to the subscriber's account if the existing technology or facilities of the local exchange service provider measure usage and permit a usage credit to be determined and provided.

(d) Nothing in this section prohibits a local exchange service provider from providing additional bill adjustments at its discretion in connection with charges imposed for features described in subdivision (a).

2889.5. (a) No telephone corporation, or any person, firm, or corporation representing a telephone corporation, shall make any change or authorize a different telephone corporation to make any change in the provider of any telephone service for which competition has been authorized of a telephone subscriber until all of the following steps have been completed:

(1) The telephone corporation, its representatives or agents shall thoroughly inform the subscriber of the nature and extent of the service being offered.

(2) The telephone corporation, its representatives or agents shall specifically establish whether the subscriber intends to make any change in his or her telephone service provider, and explain any charges associated with that change.

(3) For sales of residential service, the subscriber's decision to change his or her telephone service provider shall be confirmed by an independent third-party verification company. For purposes of this provision, the confirmation by a third-party verification

company shall be made as follows:

(A) The third-party verification company shall meet each of the following criteria:

(i) Be independent from the telephone corporation that seeks to provide the subscriber's new service.

(ii) Not be directly or indirectly managed, controlled, or directed, or owned wholly or in part, by the telephone corporation that seeks to provide the new service or by any corporation, firm, or person who directly or indirectly manages, controls, or directs, or owns more than 5 percent of the telephone corporation.

(iii) Operate from facilities physically separate from those of the telephone corporation that seeks to provide the subscriber's new service.

(iv) Not derive commissions or compensation based upon the number of sales confirmed.

(B) The telephone corporation seeking to verify the sale shall do so by connecting the subscriber by telephone to the third-party verification company or by arranging for the third-party verification company to call the subscriber to confirm the sale.

(C) The third-party verification company shall obtain the subscriber's oral confirmation regarding the change, and shall record that confirmation by obtaining appropriate verification data. The record shall be available to the subscriber upon request. Information obtained from the subscriber through confirmation shall not be used for marketing purposes. Any unauthorized release of this information is grounds for a civil suit by the aggrieved subscriber against the telephone corporation or its employees who are responsible for the violation.

(D) Notwithstanding subparagraphs (A), (B), and (C), a service provider shall not be required to comply with these provisions when the customer directly calls the local service provider to make changes in service providers. However, a service provider shall not avoid the verification requirements by asking a subscribing customer to contact a local exchange service provider directly to make any change in the service provider. A local exchange service provider shall be required to comply with these verification requirements for its own competitive services. However, a local exchange service provider shall not be required to perform any verification requirements for any changes solicited by another telephone corporation.

(4) For sales of residential service to which paragraph (3) applies, the telephone corporation seeking to verify the change in service, in addition to the requirements of paragraph (3), shall notify the subscriber by United States Postal Service that the subscriber's telephone service provider has been changed. The service provider that initiated the change shall send that notice within 14 days of the date of the change. The notice shall provide the subscriber with clear, legible notice of the change in service provider, and shall include a customer service telephone number for the subscriber to call if the subscriber did not authorize the change in service.

(5) For sales of all nonresidential services, the subscriber's decision to change his or her service provider shall be confirmed through any of the following means:

(A) Independent third-party verification, as set forth in paragraph (3) of subdivision (a).

(B) The telephone corporation shall mail to the subscriber an information package seeking confirmation of his or her change in the telephone corporation. The information package shall describe the new service and shall include a postage prepaid postcard or mailer that the subscriber can use to deny, cancel, or confirm a service order, as soon as possible, and wait 14 days after the information package is mailed before making the change in the telephone corporation. The telephone corporation shall make the change only if

the subscriber does not cancel the change in service order.

(C) Verify the subscriber's change in his or her telephone service provider by obtaining the subscriber's signature on a document fully explaining the nature and extent of the action. The document shall be a separate document whose sole purpose is to explain the nature and extent of the action.

(D) Obtain the subscriber's authorization through an electronic means that takes the information, including the calling number, and confirms the change to which the subscriber has given his or her consent.

(6) Where the telephone corporation obtains a written order for service, the document shall thoroughly inform the subscriber of the nature and extent of the action. The subscriber shall be furnished with a copy of the signed document. The subscriber by his or her signature on the document shall indicate a full understanding of the relationship being established with the telephone corporation. When a written subscriber solicitation or other document contains a letter of agency authorizing a change in service provider, in combination with other information including, but not limited to, inducements to subscribers to purchase service, the solicitation shall include a separate document whose sole purpose is to explain the nature and extent of the action. If any part of a mailing to a prospective subscriber is in language other than English, any written authorization contained in the mailing shall be sent to the same prospective subscriber in the same language.

(7) The telephone corporation shall retain a record of the verification of the sale for at least one year. These records shall be made available to the subscriber, the Attorney General, or the commission upon request.

(b) If a residential or business subscriber that has not signed an authorization notifies the telephone corporation within 90 days that he or she does not wish to change telephone corporations, the subscriber shall be switched back to his or her former telephone corporation at the expense of the telephone corporation that initiated the change.

(c) For purposes of this section, competitive services are those services where subscribers have the ability to presubscribe to a telephone service provider.

(d) When a subscriber changes telephone service providers, the change shall be conspicuously noticed on the subscriber's bill. Notice in the following form is deemed to comply with this subdivision:

"NOTICE: Your local (or long distance) telephone service provider has been changed from (name of prior provider) to (name of current provider).

Cost of change: \$ ____."

(e) Any telephone corporation that violates the verification procedures described in this section shall be liable to the telephone corporation previously selected by the subscriber in an amount equal to all charges paid by the subscriber after the violation.

(f) In addition to the liability described in subdivision (e), any telephone corporation that violates the verification procedures described in this section shall credit to a subscriber any charges paid by the subscriber in excess of the amount that the subscriber would have been obligated to pay had the subscriber's telephone service not been changed. The commission shall adopt regulations to govern credits to subscribers pursuant to this subdivision.

(g) The remedies provided by this section are in addition to any other remedies available by law.

(h) As described in federal law, no telephone corporation, or any person, firm, or corporation representing a telephone corporation, shall make any change or authorize a different telephone corporation to make any change in the provider of any telephone service for which

competition has been authorized of a telephone subscriber without having on file, or having instituted reasonable steps designed to obtain, signed, dated orders for service from the subscriber. All orders shall be in the form prescribed in federal law for letters of agency. As described in federal law, the telephone corporation is responsible for charges associated with disputed changes in telephone service for which it cannot produce a signed, dated order for service from the subscriber. This subdivision applies to all intrastate services for which competition has been authorized.

2889.6. The commission shall, by rule or order, require all local exchange carriers to do both of the following:

(a) Include in their telephone directory information concerning emergency situations which may affect the telephone network. The information shall include the procedures which the corporation will follow during emergencies, how telephone subscribers can best use the telephone network in an emergency situation, and the emergency services available by dialing "911."

(b) Annually provide to all subscribers in the form of a billing insert, which need not be a separate document, information concerning emergency situations which may affect the telephone network. The information shall include the procedures which the corporation will follow during emergencies, how telephone subscribers can best use the telephone network in an emergency situation, and the emergency services available by dialing "911." The billing insert shall additionally direct the subscriber to consult the telephone directory for similar information concerning the use of the telephone in emergency situations.

2889.8. The commission periodically shall assess the reliability of the public telecommunications network and, if necessary, develop recommendations for improvement. The assessment shall include, but not be limited to, all of the following:

(a) An analysis of those factors that pose a risk to network reliability, including the adequacy of independent sources of reserve power.

(b) Consideration as to whether development of reliability standards is appropriate.

(c) Consideration as to whether procedures should be developed to notify customers about accessing other telecommunications companies in the event of a service disruption.

2889.9. (a) No person or corporation shall misrepresent its association or affiliation with a telephone carrier when soliciting, inducing, or otherwise implementing the subscriber's agreement to purchase the products or services of the person or corporation, and have the charge for the product or service appear on the subscriber's telephone bill.

(b) The provisions of Chapter 11 (commencing with Section 2100) of Part 1 of Division 1 apply to a public utility subject to this section and Section 2890. If the commission finds that a person or corporation or its billing agent that is a nonpublic utility, and is subject to the provisions of this section and Section 2890, has violated any requirement of this article, or knowingly provided false information to the commission on matters subject to this section and Section 2890, the commission may enforce Sections 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, and 2114 against those persons, corporations, and billing agents as if the persons,

corporations, or billing agents were a public utility. Neither this authority nor any other provision of this article grants the commission jurisdiction to regulate persons or corporations or their billing agents who are not otherwise subject to commission regulation, other than as specifically set forth in this section and Section 2890.

(c) If the commission finds that a person, corporation, or billing agent is operating in violation of any provision of this section and Section 2890, the commission may order the billing telephone company to terminate the billing and collection services for that person, corporation, or billing agent. Nothing in this section and Section 2890 precludes a billing telephone company from taking action on its own to terminate billing and collection services.

(d) The commission shall establish rules that require each billing telephone company, billing agent, and company that provides products or services that are charged on subscribers' telephone bills, to provide the commission with reports of complaints made by subscribers regarding the billing for products or services that are charged on their telephone bills as a result of the billing and collection services that the billing telephone company provides to third parties, including affiliates of the billing telephone company.

(e) If the commission receives more than 100 complaints regarding unauthorized telephone charges in any 90-day period as to a person, corporation, or billing agent's activities that are subject to Section 2890 and this section, the commission's consumer services division shall commence a formal or informal investigation. The commission, to further the purposes of Section 2890 and this section, may change the number of complaints in any 90-day period that initiates the commencement of an investigation. This subdivision does not prohibit the commission's consumer services division from opening any investigation it deems necessary to enforce Section 2890 or this section.

(f) Failure by a person, corporation, or billing agent to respond to commission staff requests for information is grounds for the commission to order the billing telephone company or companies that are providing billing and collection services to cease billing and collection services for the person, corporation, or billing agent.

(g) Persons or corporations originating charges for products or services, their billing agents, and telephone corporations billing for these products or services shall cooperate with the commission in the commission's efforts to enforce the provisions of this article.

(h) This section and Section 2890 do not obligate a billing telephone company to provide billing and collection services to a billing agent.

(i) The commission may adopt rules, regulations and issue decisions and orders, as necessary, to safeguard the rights of consumers and to enforce the provisions of this article.

(j) For the purposes of this section, "billing agent" means the clearinghouse or billing aggregator.

2890. (a) A telephone bill may only contain charges for products or services, the purchase of which the subscriber has authorized.

(b) When a person or corporation obtains a written order for a product or service, the written order shall be a separate document from any solicitation material. The sole purpose of the document is to explain the nature and extent of the transaction. Written orders and written solicitation materials shall be unambiguous, legible, and in a minimum 10-point type. Written or oral solicitation materials used to obtain an order for a product or service shall be in the same language as the written order. Written orders may not be used as entry forms for sweepstakes, contests, or any other program that

offers prizes or gifts.

(c) The commission may only permit a subscriber's local telephone service to be disconnected for nonpayment of charges relating to the subscriber's basic local exchange telephone service, long-distance telephone service within a local access and transport area (intraLATA), long-distance telephone service between local access and transport areas (interLATA), and international telephone service.

(d) (1) A billing telephone company shall clearly identify, and use a separate billing section for, each person, corporation, or billing agent that generates a charge on a subscriber's telephone bill. A billing telephone company may not bill for a person, corporation, or billing agent, unless that person, corporation or billing agent complies with paragraph (2).

(2) Any person, corporation, or billing agent that charges subscribers for products or services on a telephone bill shall do all of the following:

(A) Include, or cause to be included, in the telephone bill the amount being charged for each product or service, including any taxes or surcharges, and a clear and concise description of the service, product, or other offering for which a charge has been imposed.

(B) Include, or cause to be included, for each entity that charges for a product or service, information with regard to how to resolve any dispute about that charge, including the name of the party responsible for generating the charge and a toll-free telephone number or other no cost means of contacting the entity responsible for resolving disputes regarding the charge and a description of the manner in which a dispute regarding the charge may be addressed. Each telephone bill shall include the appropriate telephone number of the commission that a subscriber may use to register a complaint.

(C) Establish, maintain, and staff a toll-free telephone number to respond to questions or disputes about its charges and to provide the appropriate addresses to which written questions or complaints may be sent. The person, corporation, or billing agent that generates a charge may also contract with a third party, including, but not limited to, the billing telephone corporation, to provide that service on behalf of the person, corporation or billing agent.

(D) Provide a means for expeditiously resolving subscriber disputes over charges for a product or service, the purchase of which was not authorized by the subscriber. In the case of a dispute, there is a rebuttable presumption that an unverified charge for a product or service was not authorized by the subscriber and that the subscriber is not responsible for that charge. With regard to direct dialed telecommunications services, evidence that a call was dialed is prima facie evidence of authorization. If recurring charges arise from the use of those subscriber-initiated services, the recurring charges are subject to this section.

(e) If an entity responsible for generating a charge on a telephone bill receives a complaint from a subscriber that the subscriber did not authorize the purchase of the product or service associated with that charge, the entity, not later than 30 days from the date on which the complaint is received, shall verify the subscriber's authorization of that charge or undertake to resolve the billing dispute to the subscriber's satisfaction.

(f) For purposes of this section, "billing agent" is the clearinghouse or billing aggregator.

(g) This section shall become operative on July 1, 2001.

2890.1. The commission shall, on or before July 1, 2001, adopt any additional rules it determines to be necessary to implement the billing safeguards of Section 2890, for the inclusion of noncommunications-related products and services in telephone bills.