Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON COMMUNICATIONS AND CONVEYANCE
Tasha Boerner, Chair
AB 1532 (Committee on Communications and Conveyance) – As Introduced March 28, 2025

SUBJECT: Public Utilities Commission

SUMMARY: This bill would extend the surcharge authority for the Deaf and Disabled Telecommunications (DDTP) program, would also extend the authority for the transportation network company (TNC) wheelchair-accessible vehicle (WAV) program, known as the "Access for All" (AFA) program. Additionally, this bill would impose new conditions on commissioners of the California Public Utilities Commission (CPUC), require the Little Hoover Commission to submit a report with recommendations to the Legislature related to the CPUC.

Specifically, **this bill**:

1) Extends the requirement on the CPUC to collect the surcharge to fund the DDTP until January 1, 2031.

2) Extends the requirement for the CPUC to establish the AFA program until January 1, 2032, including extending the $0.05 charge for each completed TNC trip.

3) Requires a CPUC commissioner, following their first year as a commissioner to attend no less than 25% of the hearings that are part of a rate setting proceeding in the preceding year to receive their full salary.

4) Requires the CPUC to adopt rules governing commissioner attendance at CPUC hearings.

5) Requires, at the request of the chair of a Senate or Assembly committee with jurisdiction over budget or policy matters concerning the commission, a commissioner to appear at a legislative hearing.

6) Requires on or before January 1, 2027, the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy to submit a report with recommendations to the Legislature and the Governor for increasing commissioner attendance at commission hearings and improving the commission's timelines in resolving proceedings.

EXISTING LAW:

1) Establishes the Deaf and Disabled Telecommunications Program (DDTP) and requires the CPUC to administer a surcharge to collect revenues of up to $100,000,000 per year until January 1, 2025, subject to an annual appropriation of moneys by the Legislature, to allow providers of equipment and service pursuant to the DDTP to recover their costs as they are incurred. (Public Utilities Code § 2881)

2) Requires the CPUC, until January 1, 2026, to establish the transportation network company (TNC) wheelchair accessible vehicle (WAV) known as the Access for All program relating to accessibility for persons with disabilities. Among other program requirements, the act requires each TNC to pay to the CPUC an amount equivalent to, at

a minimum, $0.05 for each TNC trip completed using the TNC's online-enabled application or platform to fund the program. (Public Utilities Code § 5440.5)

3) Establishes the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy. (Government Code § 8501)

4) Provides that the purpose of the Legislature in creating the Little Hoover Commission is to secure assistance for the Governor and itself in promoting economy, efficiency, and improved service in the transaction of the public business in the various departments, agencies, and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies, and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives. (Government Code § 8521)

5) Establishes the membership of the CPUC, and the qualifications and tenure of the members of the commission. (California Constitution Article XII § 1)

6) Requires commissioners to be civil executive officers and requires their salaries to be fixed by law and paid in the same manner as the salaries of other state officers. (Public Utilities Code § 304)

7) Requires the president of the commission to annually appear before the appropriate policy committees of the Senate and Assembly to present the CPUC Annual Report. (Public Utilities Code § 321.6)

8) Requires the CPUC to report annually to the Legislature on the status of its proceedings, specifically, on timeliness in resolving cases, information on the disposition of applications for rehearing, and the number of days that Commissioners presided in hearings. (Public Utilities Code § 910.1)

FISCAL EFFECT: Unknown. This bill has been keyed fiscal by the Legislative Counsel.

COMMENTS:

1) Committee Omnibus. This bill is a committee omnibus bill that includes several topics relative to the jurisdiction of the Communications & Conveyance Committee. To the extent that this bill also relates to the California Public Utilities Commission in particular, this bill has also been referred to the Utilities & Energy Committee which has primary jurisdiction of CPUC. According to the Chair of this Committee: "The contents of this bill cover a scope of issues directly pertaining to the jurisdiction and experience of this committee. Specifically, it extends the state's ability to fund two programs administered by the CPUC that provide critical assistance to disabled Californians. The bill also includes new accountability measures for the CPUC based on this committee's experience in engaging in oversight of the CPUC's programs during a committee oversight hearing, wherein the committee discovered concerning trends about CPUC Commissioner attendance at hearings."

2) *Two-Third Vote Threshold.* According to the Legislative Counsel, the provisions of this bill relating to surcharges are considered a change in state statute that would result in a taxpayer paying a higher tax within the meaning of the California Constitution. Thus, this bill would require the approval of 2/3 of the membership of each house of the Legislature for passage.

3) *Deaf and Disabled Telecommunications Program.* The Deaf and Disabled Telecommunications Program (DDTP), also known as California Connect, is a state-mandated program under the California Public Utilities Commission (CPUC) that provides accessible telecommunications services for individuals with disabilities. This program was first codified in 1982 and most recently was extended in 2019 by AB 497 (Santiago). The funding authorization for the program has expired as of January 1, 2025, which is why the program is proposed to be extended.

   DDTP offers specialized equipment, relay services, and Augmentative and Alternative Communication (AAC) programs to support independent and functionally equivalent communication. The program helps people with disabilities stay connected with loved ones, complete daily tasks, and access emergency services. Relay Services and Augmentative and Alternative Communication (AAC) devices facilitate communication with life-saving services such as 911 and 988.

   According to the CPUC[1], in 2023-2024 the program provided specialized equipment for 6,170 new customers with specific needs. The relay services, which relay conversations back and forth over the telephone for disabled individuals, was used for 297,805 calls. The program also provided 885 long-term device iPads and 1,262 short-term device iPads to participants that needed assistance with speech related disabilities.

   Existing law authorizes the CPUC the collect up to $100,000,000 per year to fund the program. In fiscal years 2023-2024 the program generated $68.5 million, of which only about 4% was used on administrative costs according to the CPUC. The program's funding continues to be sustained through a dedicated surcharge, which is assessed and collected by telecommunications companies, including VoIP providers. This surcharge is presented on customer bills and applied to intrastate charges on customer bills of all telecommunication service providers. As of April 2023, California modified the surcharge collection methodology from six separate surcharges to one flat rate to fund California's six universal service programs, including California Connect.

4) *Access for All Program.* The Access for All Program ("AFA") was developed to implement SB 1376 (Hill, 2018), which directed the California Public Utilities Commission (CPUC) to establish a program to increase the availability of on-demand transportation for persons with disabilities, including wheelchair users who need a wheelchair-accessible vehicle (WAV). The program began implementation in the third quarter of 2019 and is designed to encourage growth in the availability of on-demand transportation that meets the mobility needs of persons with disabilities, including wheelchair users who need a WAV. This is achieved by collecting a per-trip fee on all transportation network company (TNC) trips that originate in California, which is then re-invested in WAV service.

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[1] 2023-2024 California Connect Annual Report. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/ddtp/ddtp-annual-reports/california-connect-annual-report--20232024--accesible-final-uploaded-onto-cpuc-website.pdf

Pursuant to existing law, the CPUC recently assessed[2] whether WAV service is within service benchmarks established by the CPUC, which covers various features of service, including presence of WAVs across hours of the day, decrease in WAV-related expenditures, promotion of WAV service through outreach and engagement, and occurrence of complaints from WAV customers. The findings show that TNCs have an ability to meet and exceed program goals in most key performance areas in some counties, but there is still room for improvement and more to be learned about statewide feasibility of offering on-demand WAV service. The report did make recommendations to the Legislature to improve the program. Specifically, augmenting timelines for entities participating in the program to be disbursed funds on an annual basis, to instead be biennial. The CPUC suggests that doing so may help resource constraints on the part of participants, but also could increase participation overall. The committee may wish to consider this change in the future.

5) *Oversight and Accountability for CPUC.* This bill would impose new conditions on commissioners of the California Public Utilities Commission and the organization generally. These new requirements are intended to provide greater accountability for the organization and responsiveness by the CPUC to the Legislature. First and foremost, this bill proposes to expand existing law that requires the President of the CPUC to an annual report to the appropriate policy committees of the Legislature. This bill expands that existing requirement to also require a commissioner to be present at any legislative hearing at the request of the Chair of a Senate or Assembly committee with jurisdiction over budget or policy matters concerning the commission. This year and in years past, this committee and others have had a difficult experience gaining the cooperation of commissioners to attend legislative oversight and informational hearings. In some instances, there has been a plain refusal to participate, which is unacceptable and disregards the proper role of the Legislature to conduct oversight of state agencies.

   Upon further inspection, this committee has also learned based on reports to the Legislature that commissioners also do not appear to attend or preside over the majority of hearings of their own agency. While some of this can be explained by the delegation of roles and responsibilities to administrative law judges, on their face the numbers are startling and a cause for concern. "Appendix L" below is taken from a mandated report[3] to the Legislature on commissioner attendance at hearings and the disposition of proceedings. The data show that of all the hearings recorded, commissioners spent zero days presiding over hearings. Commissioners were also only present for less than 25% of the total hearing days.

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[2] 2024 TNC Access for All Program Annual Report. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/consumer-protection-and-enforcement-division/documents/tlab/accessforall/cpuc_legislative-report_access-for-all_dec-2023.pdf

[3] 2024 Public Utilities Code § 910.1 Report. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/annual-reports/2024-annual-report-with-assignment.pdf

APPENDIX L

COMMISSIONERS PRESENCE DURING 2024 AT HEARINGS SUBJECT TO SB 960*

	NO. OF DAYS ATTENDING	NO. OF DAYS PRESIDING	TOTAL DAYS PRESENT
ALICE REYNOLDS	7	0	7
HOUCK	16	0	16
JOHN REYNOLDS	17	0	17
DOUGLAS	17	0	17
MATTHEW BAKER	8	0	8
TOTAL	65	0	65

* The database consists of all proceedings which went to hearing during 2024 under the SB 960 rules:

1. Number of proceedings = 216
2. Number of hearing days with at least 1 Commissioner present = 65
3. Number of hearing days = 273

(Prehearing Conferences, Final Oral Arguments, and Evidentiary Hearings)

"Hearing Days" refers solely to Commissioner attendance and not to number of hearing days, generally.

(END OF APPENDIX L)

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Given the additional concern about commissioner attendance at the CPUC's own hearings, this bill also would require the CPUC adopt rules governing commissioner attendance at CPUC hearings. Lastly, this bill would require commissioners to attend at least 25% of rate setting proceedings in order to receive a full salary. Moving forward, the committee may wish to consider whether tying a commissioner salary to attendance at certain hearings is a reasonable mechanism to ensure more accountability. Certainly, there is an interest in requiring greater attendance; however, there may be legitimate structural reasons why attendance has been low that the Little Hoover Commission report may identify.

6) *Report by the Little Hoover Commission.* The Little Hoover Commission, formally known as the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy, is an independent state oversight agency created in 1962. The Commission's mission is to investigate state government operations and policy, and – through reports and legislative proposals – make recommendations to the Governor and Legislature to promote economy, efficiency and improved service in state operations. In addition, the Commission has a statutory obligation to review and make recommendations on all proposed government reorganization plans. The Commission has broad and independent authority to evaluate the structure, organization, operation and function of every department, agency and executive branch of state government, along with the policies and methods for appropriating and administering funds. Unlike fiscal or performance audits, the Commission's studies look beyond whether programs comply with existing statutes and regulations. They instead explore how programs can and should function today and in the future.

Recently Members of this committee have expressed concern with the CPUC's performance and outcomes particularly as it relates to ratepayer costs, processes delays, commissioner attendance at hearings and general inefficiency. The sentiment that some Members have expressed is that perhaps, due to the agency's vase regulatory purview of industries and responsibilities, the organization and the public may benefit from reforms to reorganize its operations. In response to those concerns, this bill would require the Little Hoover Commission to submit a report to the Legislature and Governor focused on increasing commissioner attendance at commission hearings and improving the commission's timelines in resolving proceedings. This bill would require analysis on specified metrics, such as commissioner attendance at particular types of hearings, such as hearings for proceedings that resulted in a rate increase or hearings specific to telecommunications, broadband, and transportation. Through the analysis, the intent is that the Little Hoover Commission can help the Legislature and Governor better understand the amount of time Commissioners have dedicated to the various types of proceedings in their purview, especially those related to telecommunications or that resulted in a rate increase.

7) *Amendments.* This bill will be heard in Assembly Utilities & Energy Committee immediately following adjournment of this committee on Wednesday April 30, 2025. Therefore, there is no time to process policy amendments discussed in this analysis. Instead, the Chair recommends adopting suggested amendments in the next committee. The amendments would:

   a. Strike Section 1 of this bill requiring commissioners to attend a certain amount of ratesetting hearings to receive a full salary.

   b. Strike Section 3 of this bill requiring a study by the Little Hoover Commission.

8) Similar/related legislation.

   a. AB 705 (Boerner) of this session transfers the internal audit unit of the California Public Utilities Commission (CPUC) to a newly established Independent Office of Audits and Investigations ("Audits Office") within the CPUC, to be overseen by an Inspector General.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file

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