

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 9, 2006

To: All Telecommunications Carriers Offering Telecommunications Services that are Eligible for California Teleconnect Fund (CTF) Discounts

Re: CTF Administrative Letter No. 13 – Requirement for telecommunications carriers to file advice letters to reflect CTF provisions in their tariffs.

It has come to our attention that some certificated telecommunications carriers that offer CTF-eligible services have not yet revised their tariffs to reflect the 50% discount on the monthly recurring charges for the services listed in Decision (D.) 96-10-066 (issued October 25, 1996) and Resolution T-16742 (issued May 8, 2003).

In D.96-10-066, the Commission established the CTF program to provide discounts to qualifying schools, libraries, community based organizations (CBO), and municipal and county government owned and operated hospitals and health clinics subscribing to Measured Business (1 MB) service, Switched 56, Integrated Services Digital Network (ISDN) service, T-1 service, and DS-3, or their functional equivalents, and such other services that the Federal Communications Commission may determine are appropriate.

In particular, Ordering Paragraph (OP) No. 10(a) of D.96-10-066 states that:

“**all** telecommunications carriers offering the services described in Rule 8.B., Rule 8.C., and Rule 8.D. **shall** revise their tariffs within 45 days from the effective date of this decision to reflect these discounts” (emphasis added).

Rules 8.B., 8.C., and 8.D. of Appendix B of the decision list the services that are eligible for CTF discounts as indicated above. Additionally, Rules 8.B.(3), 8.C.(1), and 8.D.(3) reiterate that **all** carriers shall provide in their tariffs that the rates for qualifying entities are reduced. During the inception of the CTF program, the most advanced services were ISDN and T-1. However, because of the emerging advanced technology, the phrase “or their functional equivalents” was included in D.96-10-066 to accommodate anticipated future changes in advanced technology without the issuance of further Commission orders.

In Resolution T-16742, the Commission modified, among other things, the CTF program rules to increase the CTF discounts from 20% and 25% to 50% to qualified government owned health care institutions and Community Based Organizations (CBOs) on all Measured Business Service, Switched 56, ISDN, Digital Service Line (DSL), T-1, DS-3 and up to and including OC-192 services of their functional equivalents. More importantly, in this resolution, the Commission, in OP No. 3, states that:

“All certificated telecommunications carriers are directed to file Advice Letters to reflect the new CTF discounts and expanded types and quantities of service within 30 days of the effective date of this resolution. The Advice Letter and associated tariff sheets shall become effective within 15 days of the filing.”

Due to a recent Federal Communications Commission (FCC) order, however, it is not mandatory that carriers include DSL in their intrastate tariff. In its Report and Order FCC 05-150 released August 5, 2005, the FCC determined that facilities-based wireline broadband Internet access service is an information service as defined by the Telecommunications Act of 1996 (¶¶ 5, 14) and found that it has jurisdiction over providers of broadband Internet access services (¶ 110). The Commission invites all certificated telecommunications carriers to offer DSL discounts to qualifying entities in the CTF program and will continue to reimburse certificated carriers who do so.

Carriers that are not in compliance with D.96-10-066 and Resolution T-16742 are hereby directed to revise their intrastate tariffs by filing an Advice Letter within 30 days of the date of this letter. The tariffs, which will be made effective within 15 days of the filing, if everything is in order, must reflect the 50% discount on CTF-eligible services if they are offering such services.

Failure to comply with the directive indicated above may result in imposition of sanctions, including, but not limited to, fines and penalties as set forth in Public Utilities (PU) Code Sections 2107 and 2108. PU Code Section 2107 provides that any public utility that violates or fails to comply with any provision of any order, decision, decree, rule, direction, demand, or requirement of the Commission is subject to a penalty of not less than \$500 nor more than \$20,000 for each offense. PU Code Section 2108 states that in case of a continuing violation, each day's continuance is a separate and distinct offense. The fines and penalties could accrue from the original deadlines established by D.96-10-066 and Resolution T-16742.

Should you have any questions regarding this matter, please contact Fe N. Lazaro of my staff at (415) 703-2627 or at [fnl@cpuc.ca.gov](mailto:fnl@cpuc.ca.gov).

/s/John M. Leutza, Director  
Telecommunications Division