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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Conduct a
Comprehensive Examination of the
California Teleconnect Fund.

Rulemaking 13-01-010
(Filed January 24, 2013)

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

1. Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Amended Scoping Memo and Ruling (Scoping Ruling) sets forth the schedule, assigns the presiding officer, addresses the scope of this proceeding and resolves other procedural matters following the prehearing conference (PHC) held on June 19, 2013. This ruling also confirms that this is a quasi-legislative proceeding, for which hearings are not necessary. The schedule set below provides for Phases within the same proceeding but, in any event, anticipates a final Commission decision by February, 2015. Based on the below schedule, this proceeding is expected to resolve within 18 months of the date of this Scoping Ruling, consistent with Pub. Util. Code § 1701.5(b). This ruling is appealable only as to category of this proceeding under procedures in Rule 7.6.

¹ All references to Rules are to the Commission's Rules of Practice and Procedure. These rules are available on the Commission's website at http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/143256.PDF

This ruling also allows for Claims for Intervenor Compensation to be filed at the conclusion of each phase rather than at the end of the proceeding.

2. Scope of Proceeding

Based on the foregoing, the scope of this proceeding will include:

2.1 Phase I Goals:

The Commission issued this Rulemaking and specifically sought comment on a number of questions regarding the California Teleconnect Fund's (CTF) goals such as whether the goals should change, whether the initial program goals have been met and how success should be measured (Rulemaking (R.) 13-01-010 at 5-6). The May 2, 2013 Joint Assigned Commissioner and Administrative Law Judge's Ruling presented a proposed Restatement of Goals for the CTF program and requested Comments and Replies. Upon review of those comments and hearing from the Parties at the PHC, it appears that while the majority of Parties supported adoption of explicit CTF goals with various modifications, a number of commenters opposed adoption at the outset of the proceeding. For example, Center for Accessible Technology, Cox, Sprint, and Comcast pointed out that the goals may be subject to change or adjustment depending upon the outcome of the broader program examination slated to take place in the proposed Phase II and Phase III. They argued that issues raised by a restatement of goals are sufficiently interwoven with overall program design issues that addressing them in a separate decision prior to Phase II does not make sense. These comments are persuasive and, accordingly, I will not issue a proposed decision (PD) on the Phase I proposed Restatement of Goals now, but rather will defer its issuance until I can consider the record in Phase II. A PD will be prepared at that time that consolidates and includes both Phase I and Phase II issues. We will retain the initial designation of Phase II (Program Design) and Phase III (Program

Implementation and Administration) so that Phase III will proceed after the conclusion of Phase II.

2.2 Phase II – CTF Program Elements:

The Joint Assigned Commissioner and Administrative Law Judge's Ruling presented a list of potential issues for the scope of Phase II and sought comments and recommendations. Following review of the Parties' comments and further consideration, the Scope for Phase II includes that list with some additions as follows:

1. Does the current program eligibility criteria need further definition and/or reform? If so, what specific revisions should be considered?
2. What are the appropriate participant categories that should be included? Should any current participant category not otherwise mandated by statute be eliminated?
3. Are the product definitions for which discounts should be available, and the type of discount, in need of refinement or clarification (e.g. a percentage or flat rate discount)?
4. What is an appropriate total funding level for this program? Within this budget, how should program funds between program participants be prudently allocated? Do program priorities result in different funding levels by program participant category or discounted product type? The Commission will also consider any program efficiency measures that are proposed, including potential annual caps by participant group and budget allocation methods.
5. Should application requirements be reformed and if so, how?
6. Should participant reporting requirements and accountability measures be developed beyond the current

program design? If so, what changes are appropriate at this time?

7. Should metrics for measuring and reporting program implementation results be developed for the CTF going forward? If so, what are the appropriate metrics or benchmarks for measuring “access penetration” within target populations or in support of health care, educational or training activities? If so, what data should be gathered on a forward looking basis to assess program progress toward goals?
8. What impact, if any, does the recent passage of SB1161/ California Public Utilities Code Section 710 have on the CTF program and the specific proposals for program design? Does the current regulatory status of Voice over Internet Protocol (VoIP) and Internet Protocol (IP) services change the appropriate list of program participants, eligibility requirements, and products for which CTF discounting can be made available?
9. Are current consumer protection measures adequate and if not, what modifications should be adopted? Are new carrier and/or participant accountability measures necessary?
10. Should measures to align the CTF program with the Federal E-Rate Program be considered? If so, what objectives would such measures serve?
11. Are there any public safety programs or services that serve educational purposes for which CTF funding may be appropriate that do not already receive funding through other existing California Public Utilities Commission telecommunications programs?

3. Procedural Structure for Phase II: Staff Proposal, Parties’ Proposals, Workshop, and Comments

The Communications Division (CD) Staff shall prepare and distribute to the service list an initial proposal no later than December 31, 2013 that includes a program overview and current status report and presents recommendations on

retention and reform of CTF program elements, as appropriate. CD Staff's Proposal will include, at a minimum, recommendations that: 1) provide additional specificity to universal service goals, 2) propose changes to eligibility requirements for CTF participations, 3) clarify and discuss new and existing service provider status, 4) propose changes to the discount mechanisms for CTF-eligible service, 5) propose changes to the eligibility of certain services while holding workshops to ultimately develop recommendations on specific services that will be eligible for CTF discounts, and 6) propose transitional measures that may contain costs and seek workshop input on further cost-containment measures.

Up to and no later than February 14, 2014, Parties will have an opportunity to present responses to the CD Staff Proposal and alternative proposals that address the program elements slated for consideration in the Scope of Phase II. The assigned Administrative Law Judge (ALJ) will hold a Phase II Proposal workshop for presentations by CD Staff and Parties with alternative proposals, so that the Parties can compare submitted proposals, identify agreement and controversy and otherwise discuss items that arise from the initial proposals filed in advance of the workshop. Workshop presentations by CD Staff and the Parties shall be served on or before February 21, 2014. These presentations will be posted on the CTF Webpage on March 3, 2014 (described below at Section 8). The assigned ALJ will prepare and distribute the agenda following all filing deadlines and in advance of the workshop.

Following the workshop, Parties will file Phase II Comments and Replies addressing all Phase II issues on the dates in the schedule set forth below. These Comments and Replies may address any of the issues outlined in this Scoping

Ruling, the CD Staff Proposal, proposals by other Parties, as well as issues raised in the presentations and during the workshop discussions. Community-Based Organizations (CBOs) that would like to offer their views but are not active Parties to the proceeding will be able to do so on the CTF Webpage where an electronic form will be available for direct input.²

4. Phase III – CTF Program Implementation/Administration Elements

A separate amended scoping memo and ruling will be issued following the close of Phase II to address implementation and administration elements of the CTF program.

5. Schedule and Need for Hearings

The table below provides a schedule for the proceeding, including Phase II.

EVENT	DATES
Rulemaking Issued	January 31, 2013
1st Round Comments	March 4, 2013
1st Round Reply Comments	March 18, 2013
Joint Assigned Commissioner and Administrative Law Judge Ruling (Proposed Restatement of Goals) and PHC Notice	May 2, 2013

² In Phase I, an opportunity for CBO informal comments via e-mail was made available. The CTF Webpage is now available and will allow CBOs in this proceeding to use an electronic link to submit informal comments directly via internet. This link will be uploaded to the Webpage and be live for use by the due date set forth in this Scoping Ruling for receipt of Parties' Comments and Replies in Phase II.

2nd Round Comments on Restatement of Goals	May 31, 2013
2nd Round Reply Comments on Restatement of Goals	June 7, 2013
PHC Statements	June 7, 2013
PHC Held	June 19, 2013
Scoping Memo Issued	November, 2013
CD Phase II Staff Proposal Distributed to the Service List	December 31 , 2013
Parties' Phase II Proposals and/or Responses to Phase II CD Staff Proposal Filed and Served	February 14, 2014
Workshop presentations by CD Staff and the Parties served	February 21, 2014
Phase II Workshop Presentations Posted to the CTF Website	March 3, 2014
Phase II Workshop	March 10, 2014
Phase II Comments Filed	April 9, 2014
Phase II Reply Comments Filed	April 16, 2014
Proposed Decision on Phases I and II	Summer, 2014

If so required, the assigned ALJ may alter this schedule as required to promote the efficient and fair resolution of the proceeding. Consistent with § 1701.5, the Commission anticipates that this proceeding will be completed within 18 months of the date of the issuance of this Scoping Ruling.

6. Proceeding Category and *Ex Parte* Rules

The Commission preliminarily categorized this as a quasi-legislative proceeding and for which no hearings are necessary. The Parties did not oppose the Commission's preliminary categorization. This ruling affirms the

preliminary categorization of quasi-legislative. Pursuant to Pub. Util. Code § 1701.4, *ex parte* communications are permitted without any restrictions.

7. Presiding Officer

Pursuant to Rule 13.2 (c), assigned Commissioner Carla J. Peterman is the Presiding Officer in this proceeding.

8. Filing, Service, and Service List

When filing and/or serving documents in this proceeding, all Parties are reminded to review the most current Commission Rules of Practice and Procedures to comply with the latest rules in effect. Prepared testimony is to be served, but not filed, pursuant to Rule 13.8(a).

A CTF Rulemaking (R.13-01-010) Webpage has been created for this proceeding and can now be found at:

http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/CTF/Rulemaking_to_Conduct_a_Comprehensive_Examination_of_the_California_Teleconnect_Fund.htm.

Phase II documents that are served but not filed will be posted on the CTF Rulemaking Webpage for ease of public access and use in the Phase II Workshop. The CTF Rulemaking Webpage also includes a link to the Commission's official Docket Card for this proceeding. The Docket Card provides electronic access to filed documents included in the official record, as well as all Rulings and Decisions.

CBO Organization Comments: The Joint Assigned Commissioner and Administrative Law Judge Ruling of May 2, 2013 allowed Community-Based Organizations to submit informal comments by electronic mail without participating as formal parties to this proceeding. The Comments that have been

received to date by this method are now posted on the CTF Rulemaking Webpage. In this Phase II, Community-Based Organizations may again submit their views on the case without making a formal filing by completing an electronic form designated for this purpose that will be found on the CTF Rulemaking Webpage. Informal comments and replies submitted on the CTF Rulemaking Webpage shall be submitted on the same dates set for the Parties to file Phase II Comments and Replies, that is, April 9, 2014 and April 16, 2014, respectively.

Parties are encouraged to file electronically, whenever possible, as it speeds processing of the filings and allows them to be posted on the Commission's website. More information about electronic filing is available at <http://www.cpuc.ca.gov/PUC/efiling>. This proceeding will follow the electronic service protocols adopted by the Commission in Rules 1.10 and 1.13 for all documents, whether formally filed or just served. These Rules provide for electronic service of documents, in a searchable format, unless the appearance or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by U.S. mail. In this proceeding, concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is required. Parties are expected to provide paper copies of served documents upon request.

Any e-mail communication about this proceeding should include, at a minimum, the following information on the subject line of the e-mail: R.13-01-010 CTF Rulemaking. In addition, the party sending the e-mail should briefly describe the attached communication; for example, *Brief*. Paper format

copies, in addition to electronic copies, shall be served on the assigned Commissioner and the ALJ.

The official service list for this proceeding is available on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office, the service list, and the ALJ. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition.

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor at (866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to public.advisor@cpuc.ca.gov.

9. Intervenor Compensation

Those Parties found eligible in a Ruling on a timely-filed Notice of Intent to Claim Intervenor Compensation may submit Requests for Claims for Intervenor Compensation after the Commission issues its final Decision on Phase II issues and again in a separate claim that covers Phase III participation after the final Decision on Phase III issues in this proceeding.

10. Responses to CD Staff Data Request and Motions for Confidential Treatment

On September 10, 2013, assigned ALJ Moosen issued a Ruling Ordering California Teleconnect Fund (CTF) participating Carriers to respond to the Communications Division (CD) Data Request sent to each individual Carrier and also attached in template form with submittal instructions to the September 10th

Ruling. In response to the numerous request for extensions of time, the deadline for submittals was extended to October 21, 2013.

The material submitted in response to the CD Data Request may be presented as part of the program status report in the CD Staff Proposal on or before December 31, 2013. Accordingly, the September 10th, Ruling directed Carriers that request confidential treatment or leave to submit under seal to file formal motions in support of such requests, due concurrently with the actual data response submittals. This Ruling is hereby reaffirmed. Any Carrier that intends to request confidential treatment under Pub. Util. Code § 583 and/or General Order 66-C and has not already done so must file a formal Motion for Confidential Treatment of submittal information and include a request for leave to late-file. Requests without support by formal written motion will not be considered.

IT IS SO RULED.

Dated November 5, 2013, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman
Assigned Commissioner