

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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

R.13-01-010
(Issued January 31, 2013)

**OPENING COMMENTS
OF THE OFFICE OF RATEPAYER ADVOCATES
ON PHASE I GUIDING PRINCIPLES AND PHASE II ISSUES OF THE
CALIFORNIA TELECONNECT FUND**

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I. INTRODUCTION

Pursuant to Administrative Law Judge's Ruling Setting Workshops, Public Participation Hearings and New Dates for Remaining Activities for Phases I and II of the Proceeding (June 10, 2014), in Rulemaking (R.) 13-01-010, and revised by ALJ Moosen's August 1, 2014 E-mail Ruling in R.13-01-010 to Further Modify Schedule to allow for further consensus proposal discussions, the Office of Ratepayer Advocates (ORA) respectfully submits these Opening Comments regarding Phase I and II program changes to the California Teleconnect Fund (CTF).

The Commission created the CTF in Decision (D.) 96-10-066, reaffirming its commitment to universal service and reducing the digital divide in accordance with state and federal directives. In R.13-01-010 the Commission seeks "to determine whether the CTF is fulfilling its purpose, and whether the CTF's current structure and administrative processes are adequate to further the program's goals."¹ Phase I seeks to address whether the initial goals of the CTF program have been met, whether the goals should change, and how the program should be evaluated and measured. Phase II seeks comments and recommendations on the CTF program elements, including, for example, eligibility criteria, participant categories, program discounts, service eligibility, and program metrics.

These comments address the Phase I issues within the context of the Communications Division (CD) Staff Proposal (Staff Proposal),² parties' alternative proposals, discussions in workshops, and the Joint Consensus Recommendations and Discussion Summary Report (Consensus Report)³. These comments also address Phase

¹ Order Instituting Rulemaking to Conduct a Comprehensive Examination of the California Teleconnect Fund (OIR), January 31, 2013, at 1-2.

² CTF 2.0: Connecting California: Staff Proposal for the California Teleconnect Fund, Revised May 2014, served to Parties on May 30, 2014.

³ On September 9, 2014, a Joint Consensus Recommendations and Discussion Summary Report (Consensus Report) was filed, following attempts to reach further consensus on common parties' positions in response to the original proposals of the CD Staff reports. As noted in the Consensus Report, consensus does not equate to unanimity. Specifically, "the concept of consensus adopted for the purposes of this report is 'agreement short of unanimity'." (Consensus Report at 5.)

II issues related to CTF Program Elements. ORA makes the following recommendations:

- 1) Revise the CTF's goals in order to clarify the Fund's objectives of bringing direct Internet access and indirect Internet-enabled services to local communities through eligible institutions.
- 2) Refine CTF eligibility to ensure that funds are available for programs and services that further the CTF goals:
 - Schools: Add pre-Kindergarten school programs to the list of eligible program participants. Switch eligibility criteria for nonprofit private schools from endowment-based criteria to criteria based on Free Reduced Meal Program participation rates.
 - Libraries: Do not impose the Staff Proposal of a one-year moratorium on new applications, which would adversely affect libraries that have arrangements pending with the Corporation for Education Network Initiatives in California (CENIC).
 - Community Colleges: Discontinue the funding cap imposed on community college program participants. Instead, pro-rate the CTF support by deducting an amount for the estimated administrative share of the college's or district's overall broadband service usage.
 - Community Based Organizations (CBOs): Do not impose a CBO budget cap to limit non-profit organization eligibility. Rather, continue site-by-site CBO applications, require applicant documentation that supports provision of direct access or indirect Internet-enabled services to the targeted communities, and to demonstrate that at least 50% of connection time is for serving members of the public. In addition, limit CBO eligible "educational" services to those targeting educationally underserved communities.
 - Government Healthcare: Include Critical Access Hospitals (CAHs) to the list of eligible healthcare entities provided that these entities meet the government-run or non-profit criteria for other CTF recipients.
- 3) Establish a new category for Healthcare CBOs and Governmental Healthcare Institutions. In order to exclude large non-profit hospital and healthcare corporations with large resource pools and large broadband needs, impose an annual budget cap.

- 4) Use as guidance the E-Rate eligible list for services currently eligible for the CTF discount. For new functionally equivalent services, CD Staff and the CTF Administrative Committee (CTF-AC) should be involved in reviewing the new services. Service pricing information must be part of the service comparability evaluation.
- 5) Continue the 50% rate discount, as it is administratively simpler for applicants, carriers, and CD Staff, as opposed to the proposal to change it to a flat rate discount.
- 6) Recertify all applicants every three years on a rolling basis. The recertification should include provision of the same information, updated, as provided in the original application or as is required by the then-current application.

Finally, with respect to the Joint Parties' September 9, 2014 Joint Consensus Recommendations and Discussion Summary Report (Consensus Report) filed by parties in this proceeding, ORA disagrees with several of its recommendations and explains the disagreements in these comments. These areas of disagreement are:

- a) expanding CBO eligibility criteria including its definition of "educational instruction";
- b) including for-profit hospitals and rural Emergency Room centers as eligible for funding;
- c) imposing no budget caps for eligible non-profit healthcare institutions; and
- d) excluding price information in the consideration of new telecommunications services seeking approval as "functionally equivalent" eligible services.

ORA offers alternative recommendations in these comments.

II. DISCUSSION

A. PHASE I: PROGRAM GOALS

The CTF program goals need refinement to reflect changes in communities' needs for Internet services, changes in publicly available communications technologies, and needed updates to the focus of the program. ORA proposes the following revisions to the Staff Proposal CTF program goals that are consistent with California statute and the Commission's 1996 adopted Universal Service Principles and Objectives⁴:

1. To bring every Californian access to advanced direct access to high-speed, real-time, interactive advanced communications services in their local communities at minimal or no cost;
2. To insure ensure high-speed Internet connectivity for community anchor institutions CTF-eligible community and government institutions at reasonable rates; and
3. To increase high-speed Internet access penetration availability, and high-speed Internet-enabled healthcare, education, and community services, in communities with lower rates of Internet adoption and or greater financial, healthcare, or educational needs.

Taken together, these recommended revisions allow the program to accommodate changes in telecommunications technologies and services and the populations and communities served. They clarify the public needs that the program intends to address and, specifically, community⁵ needs for both direct access to the Internet (e.g., public-use computer labs, research computers in schools and libraries, etc.) *and* indirect access to

⁴ See, Cal. Pub. Util. Code §§ 280, 709 (statutory references are to the Cal. Pub. Util. Code, unless otherwise noted); D.96-10-066, Appendix B.

⁵ Ensuring that funds are allocated appropriately increases the effectiveness of the CTF program. As previously stated in Alternative Proposals of the Office of Ratepayer Advocates to the Staff Proposal for the California Teleconnect Fund, Revised, May 2014, filed on July 21, 2014, at 3, the term "community" is not used here in a narrow geographic sense. The final decision should include a Finding of Fact stating that the communities targeted by CTF include both geographically localized and dispersed communities.

Internet-enabled service access (e.g., job placement centers catering to low-income communities where direct access to computers may not be provided but the discounted service is used by the program participant to search and apply for positions on behalf of its service recipients). They place an appropriate limitation on the use of the CTF discount to better ensure program integrity, specifically limiting the use of the discount for direct access or for those indirect Internet-enabled services provided to the participant's constituents, be they students, patients, or community benefit organization patrons, rather than for participant program administration. The Commission's original Universal Service Decision, D. 96-10-066, addressed the need for the CTF to support *direct* and *indirect* public benefits by means of discounted telecommunications services, but not simply to reduce eligible entities' telecommunications expenses—and those of CBOs specifically.⁶ Finally, and perhaps most importantly, they stress the need for the program to serve communities where Internet adoption is low or where financial, healthcare and educational needs are greatest. These recommended amendments to the goals are consistent with the statutory directive to achieve universal service without burdening the CTF and ratepayers with the support of general community services unrelated to narrowing the digital divide, and helps minimize the increasing complexity of CTF program administration for both CD Staff and participants.

The original scoping memo outlining Phase I Goals sought comment on “how success should be measured” in meeting program goals.⁷ As an on-going program assessment tool, ORA supports a more thorough Commission monitoring that includes the types of carrier services being used by CTF discount recipients, the pricing of such

⁶ D. 96-10-066 (October 25, 1996), *mimeo*, at 85: “In order for a CBO to qualify for the CBO discount, a CBO must provide proof at the time of application that it is a tax exempt organization. This CBO must also certify that it offers health care, job training, job placement, or educational instruction. This latter requirement ensures that the discounted telecommunications services are being used to directly or indirectly benefit the public at large, and that the discount is not being used simply to reduce the CBO's telecommunications expenses.” ORA observes that simply allowing CBOs eligibility on the basis of providing “educational instruction,” but not also requiring a verifiable threshold for providing direct or indirect public benefits (as opposed to “simply reduc(ing) the CBO's administrative expenses”) has allowed in too many CBOs to participate in CTF that did not meet the Commission's above-cited criteria. Eligibility rules can address this problem more appropriately than the CTF Program Goals.

⁷ Assigned Commissioner's Scoping Memo and Ruling (November 5, 2013), at 2.

services, how services are being used by end-users, and how eligible organizations use CTF support to serve Californians. During the March 10, 2014, Workshop presentation, ORA proposed a number of data points that the Commission could be collecting from carriers and support recipients to aid CD Staff and the CTF Administrative Committee in evaluating and revising the CTF.⁸ ORA continues to emphasize the need for metrics and program monitoring, but supports working out the specifics during Phase III of this proceeding.²

B. PHASE II: CALIFORNIA TELECONNECT FUND PROGRAM ELEMENTS

Through the workshop process, ORA has developed additional recommendations regarding eligibility criteria not previously discussed in ORA’s Alternative Proposals. ORA addresses program elements as follows:

1. Program Participant Eligibility Criteria and Individual Participant Category Refinements are Necessary

The Commission should refine program participant eligibility criteria in order to ensure funds are spent for programs and services that directly advance the goals of the CTF. While some recommendations listed below do not fit perfectly under the definition of “eligibility requirements,” they are participant-specific requirements that may affect access to CTF program benefits and so are included in this section for organizational purposes.

a) Schools

The Commission should add pre-Kindergarten school programs to the list of eligible program participants. Moreover, the Commission should adopt CD Staff’s recommendation to switch eligibility criteria for nonprofit private schools from

⁸ ORA’s CTF Phase II Workshop Presentation Power-point slides 11-13 (March 10, 2014) included proposed metrics for direct Internet access providers and for indirect Internet-enabled service providers. These are attached hereto as Appendix A.

² See, Joint Assigned Commissioner and Administrative Law Judge’s Ruling Setting Prehearing Conference, Requesting Comments, and Setting Other Procedures (May 2, 2013), at 3.

endowment-based criteria to criteria based on Free Reduced Meal Program participation rates. These steps will help advance efforts to extend program benefits to unserved and underserved students.

b) Libraries

The Staff Proposal to impose a one-year moratorium on new applications should not be adopted because it would adversely affect libraries that have arrangements pending with the Corporation for Education Network Initiatives in California (CENIC). A planned phase-in of a new application and tri-annual eligibility renewal process would be a more appropriate step to relieve CD Staff administrative burdens.

c) Community Colleges

The Commission should discontinue the current funding cap imposed on community college program participants. The cap is not sufficiently targeted and potentially compromises the program's ability to fulfill its goals of bringing every Californian direct access to high-speed Internet and increasing access for communities with lower rates of Internet adoption and greater financial need. A better way to limit increases in Community College CTF expenditures is to limit those expenditures to educational uses of Internet connectivity, and to exclude a share of the connectivity costs that go to administrative purposes.

The Commission should accomplish this by discontinuing the 50% cap and instead implement a uniform CTF discount that is lower than 50%. The Commission should direct CD Staff to estimate an average statewide administrative use of Community College Internet connectivity time in order to determine this pro-rated amount.¹⁰

Alternatively, the Commission could tailor the discount to the particular college or district's mix of educational and administrative use of Internet. The Commission should require the applicant institution to provide documentation with its CTF application demonstrating the shares for administrative vs. educational end-uses of its Internet

¹⁰ Such an estimate could be made with little staff time required, by sampling a number of Community College IT or purchasing departments and coming up with a statewide average estimate for the administrative share of Internet use, by which to adjust all Community College discounts uniformly.

service. If the institution used 100% of its Internet services for educational purposes it would receive the full 50% discount; however that 50% would be reduced in the same proportion as the applicant used its Internet service for administrative functions. Under this alternative, Community College applicants should provide work papers with a signed affirmation of an officer on their allocation of high-speed bandwidth among administrative and educational or public access functions with their CTF applications or reaffirmations of eligibility.

Although both approaches are consistent with the CTF goal of targeting program funds to direct access and indirect services to the public, ORA prefers the first approach as it is easier for CD Staff to administer, and is more predictable and less burdensome for applicants.

d) Community Based Organizations

The use of an applicant organization budget cap to limit the amount of eligible CBOs, as proposed by CD Staff, is too blunt of an instrument, and should not be adopted. Regardless of a CBO's annual revenue level, a CBO may provide services consistent with CTF objectives. It is noteworthy that individual sites of multi-site CBOs must apply separately for CTF support; different CBO sites may serve different types of communities in different ways, so the site qualifications are more important in fulfilling CTF's purpose than the overall CBO annual budget.

Site-by-site application of CBOs should be maintained as a key ingredient of reformulating the CBO application process to revise the CBO eligibility criteria. However, CBO eligibility criteria should be refined to raise eligible applicant standards as follows: 1) Applicants must demonstrate that they are using at least 50% of their CTF-supported connection time to provide direct or indirect (Internet-enabled) healthcare, education, job training, job search, or related services to communities with greater financial, healthcare, or educational needs; 2) Additional CTF application checklist criteria should focus on selecting eligible CBOs based on: a) the population served by the CBO; and b) whether the CBO's mission primarily supports the CTF's goals of increasing broadband access or access by the community to certain Internet-enabled

services. As all CBOs must apply on a site-by-site basis, each site should document in its original program application and in any further submissions for continued eligibility¹¹ that *the particular site* meets the CTF program criteria for providing direct broadband access to underserved communities or indirect, Internet-enabled healthcare, educational, or community services supporting CTF program goals of reducing the digital divide.

In addition, an eligible “community-based organization” site must be a nongovernmental, California nonprofit corporation, or part thereof, which itself directly serves individuals and families, and which offers services to anyone who needs them without charge or at a minimal fee.

The option for CBOs to qualify for CTF discounts by providing “educational” services is too vague and can no longer remain a *sufficient condition* for CTF eligibility. ORA disagrees with the Consensus Report definition of “educational instruction”¹² because the definition is not useful in restricting CBOs. Specifically, the Consensus Report definition includes “planning, implementation, marketing and outreach, and/or delivery of said programs” and “programs that include but are not limited to” that are unrestrictive criteria which cast too large of a net. For example, an organization whose sole purpose is to market the programs of other CBOs would qualify under this definition. Such a CBO would provide no Internet access to targeted individuals. Simply checking a box on the initial CTF application indicating that the organization as a whole provides “Educational Instruction” or “Adult Education” should no longer suffice. CD Staff should evaluate the application of each CBO site based on the population served and functions of the discounted services in the provision of either direct access or Internet-enabled services to the target community. For example, an applicant CBO site could demonstrate with census or other data that its client community is underserved, and

¹¹ ORA supports a process of reauthorization on a 3-year rolling basis.

¹² The Consensus Report provides the following definition of “educational instruction”: In addition to the general CBO eligibility criteria, “educational instruction” is defined as providing regular, ongoing, educational or instructional programs, including the planning, implementation, marketing and outreach, and/or delivery of said programs that include, but are not limited to, life skills education, ESL and language education, literacy, job training, technology instruction, leadership development, and information on public benefit and social services programs eligibility and access. (Consensus Report at 8.)

with its budget, mission statement (when applicable), participant surveys or employee logs, show that the primary function of its broadband use is to provide direct or Internet-enabled services to its client community.

The fine-tuning of these application requirements will assist CD Staff in determining whether a CBO is eligible for the CTF discount. However, should there be a case in which CD Staff is uncertain of an applicant CBO's eligibility, CD should consult with the CTF Administrative Committee. This is entirely consistent with the Administrative Committee's statutory mission "to advise the Commission regarding the development, implementation, and administration" of the program.¹³

e) Government Healthcare

Critical Access Hospitals (CAHs) are currently eligible for the CTF discount and listing them as eligible entities does not expand the list of currently eligible hospitals, but rather targets the CAHs, encouraging their participation in the program. ORA does not oppose including CAHs as CTF-eligible entities as long as the CAH has the same governmental or non-profit status established for other qualifying healthcare institutions.

2. Proposed Changes to Eligibility Categories are Necessary

a) Healthcare CBOs and Government Healthcare Institutions

The Commission should establish a new category and application criteria for non-profit healthcare CBOs. In order to exclude large non-profit hospital and healthcare corporations with large resource pools and large broadband needs, an annual organizational budget cap for healthcare CBOs is necessary. The Commission should set the annual organizational budget cap in Phase III.

The proposal presented in the Consensus Report for accepting "dedicated rural for-profit hospital Emergency Rooms"¹⁴ as eligible for CTF support, however, should be

¹³ Cal. Pub. Util. Code § 280(b).

¹⁴ Consensus Report, eligibility criterion 2.a (h), at 10.

rejected.¹⁵ For-profit hospitals do not fit the CTF's important criteria for either government-run or CBO (non-profit) healthcare clinics and hospitals. All expansions of CTF eligibility for healthcare institutions have the potential to be extremely expensive for ratepayers, and should be approached by the Commission with great caution. Applications of Internet connections to healthcare are expanding rapidly so new approved uses of CTF for these purposes should carefully target program funds.

3. Proposed Changes to Services Eligibility

a) E-Rate List

In the Consensus Report section on service eligibility,¹⁶ Joint Parties recommended that several categories of services from the Universal Service Administrative Company (USAC) Eligible Services List should be included in the list of services eligible for CTF discounts. The list includes Digital Transmission Services, Internet Access, and Wireless Internet Access. The Commission should proceed cautiously by carefully considering the potential cost and benefit to the CTF of adopting any blanket list from an external source to use to qualify eligible services. The E-Rate eligibility list should be used as guidance for selecting specific eligible services for the CTF discount, but only after a cost and benefit impact analysis is performed. The E-Rate list provides actual examples of such services under each category. CD Staff should be granted broad discretion in approving services or functional service equivalents. The CTF-AC may also be consulted on how new services might affect the different categories of CTF-eligible organizations, and the potential usage and cost of including a particular new service. CD Staff should have the flexibility to consider additional services, regardless of whether the E-Rate list is updated to reflect the demand for such services.

¹⁵ In an August 29, 2014, conference call with all Joint Parties discussing the Consensus Report, ORA pointed out that for-profit hospitals are inconsistent with the non-profit eligibility requirements of CBOs.

¹⁶ *Id.* at 15.

b) Functionally Equivalent Services and New Technologies

The CTF Administrative Committee should be available to review new services under consideration as functionally equivalent eligible services, as requested by CD Staff. The technical expertise as well as industry experience available via Administrative Committee consultation will assist CD Staff in determining whether new services are truly functionally equivalent and whether price quotes for these services are reasonable in comparison with their established functional equivalents. Administrative Committee members with potential conflicts of interest should recuse themselves from such discussions.

A critical consideration in determining functional equivalent services is that the price charged for the service should be compared to similar to prices for other services to which it is being considered as functionally equivalent. The Administrative Committee and CD Staff, with their technical expertise, are in a position to assess variables such as geographic location which may have bearing on whether a price quoted for a service in a particular area is reasonable when compared to the average price of functional equivalents. Overly expensive functionally equivalent services, e.g. charging more than an “x”% price premium above existing services of comparable speed and reliability, should be rejected until some point in time when the prices are roughly equivalent. As discussed above, prices for all new and existing broadband services eligible for CTF support should be subject to periodic carrier reporting.

4. Eligibility of Non-Profit and Government Service Providers

ORA supports, in principle, the addition of non-profit and government service providers to the list of eligible service providers, but questions whether there is statutory authority to add these providers. On September 20, 2014, the Governor approved Senate Bill 1364, which deleted the provision in Public Utilities Code § 270 stating that moneys in each of the state’s universal service funds are the proceeds of rates and are held in trust for the benefit of ratepayers and “to compensate telephone corporations” for their cost of

providing universal service. Instead, the provision now provides that moneys in the funds are held “in trust.” This raises the question of whether the removal of the language “to compensate telephone corporations” provides the Commission with legislative authority to provide CTF monies to non-telephone corporations, absent some other specific grant of authority to do so. For example, that specific legislative authority was adopted to allow non-telephone corporations to apply to the California Advanced Services Fund.¹⁷

It seems clear, however, that there is legislative intent to “bridge the digital divide”, and provide discounts to schools, libraries, and hospitals to “advance universal service.” Nonprofits and local governments should be allowed to participate in the CTF program if sufficient ratepayer protections and safeguards are in place to ensure program compliance and integrity.

Expanding eligibility also raises the issue of the Commission’s continuing authority over non-telephone corporations to ensure compliance with CTF rules. As with the CASF, if the Commission expands CTF eligibility to these entities, then it should rely on its ability to invoke penalty provisions in §§ 2108 and 2111 to enforce the CTF requirements.¹⁸

Moreover, expanding the range of entities eligible to receive CTF funds beyond certificated or registered telephone corporations raises issues about the fitness and technical capabilities of entities the Commission does not regulate. Again drawing comparison to the CASF proceeding, the Commission implemented safeguards to ensure that any non-certificated entities are financially and technically qualified to meet CASF program requirements as a condition of receiving CASF money. The same can be done here.

¹⁷ See, Cal. Pub. Util. Code § 281(e)(3): “Notwithstanding subdivision (b) of Section 270, an entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the commission pursuant to this section to provide access to broadband to an unserved or underserved household, as defined in commission Decision 12-02-015, if the entity otherwise meets the eligibility requirements and complies with program requirements established by the commission.”

¹⁸ On February 27, 2014, the Commission approved D.14-02-018 that adopts rules requiring non-telephone corporations participating in the CASF program to submit an affidavit agreeing to comply with Rules 1.11 and 2.2 of the California Public Utilities Commission’s Rules of Practice and Procedure.

Finally, the Commission should implement rules specifying that eligible service providers are to conform to all the same consumer protection, customer service and consumer safety requirements that apply to telephone corporations.

5. The Proposed Flat Rate Discount Should Not Be Adopted

The current percentage rate discount should remain in place. The concept of banded, flat rate discounts that was discussed in workshops as a cost containment measure will likely be administratively complex for applicants, carriers and CD Staff, and it could result in a too blunt an instrument that compromises the program's ability to meet its universal service goals. Cost containment can be achieved instead by refining eligibility criteria for participants and services, along with close monitoring of service prices across technologies. If, over time, these cost containment measures prove insufficient, the Commission can then consider additional measures.

6. Reform of Reporting Requirements

a) Participant Reporting Requirements

Eligible organizations should report every three years with their re-application to CTF on the population served, services provided and telecommunications services used. Reforming CTF reporting requirements should drive the core reforms targeted in this process. Cost containment, reassessment of whether the program is benefitting target communities and the anticipation of new needs of program participants can all be achieved or supported by enhancement of reporting requirements. ORA recognizes, however, the need to reform reporting requirements in such a manner as to minimize the burden on participants and CD Staff while maintaining the efficacy of the requirements.

A recertification requirement for all participants every three years on a rolling basis should be adopted. The recertification submission should include the same information, updated if necessary, as provided in the original application or as is required by the then-current application. The renewal should further include responses to a Metrics questionnaire (see ORA's samples in its March 10, 2014, Phase II Workshop

slides¹⁹). Information provided should include demographics and geography of population served, total number of service hours provided by the participant, capacity, people served per month, additional capacity needs, technologies used, cost of service, etc. Small organizations should be required to provide only easily obtained information. Such data can be filed electronically in a way easy to tabulate, to be reviewed and summarized by CD Staff and the Administrative Committee.

b) Service Provider Reporting Requirements

The Commission should adopt a requirement that carriers report every three years on the range of services being provided by them to CTF recipients, broken down by recipient sector, and including the number of recipient organizations qualified to receive CTF discounts in each sector, the dollar value of the services, and a list of the rate changes for each service over the three year period. CD should provide a standard spreadsheet or online reporting form that can easily produce summary data. ORA believes that reform of these reporting requirements will yield valuable information to CD Staff, not only in managing the particular participants or services at issue, but also in forming long-term planning strategies to increase the efficacy and longevity of the CTF program. To this end, systematic tracking of the reports should be implemented by CD Staff. Details should be worked out in Phase III.

III. CONCLUSION

ORA appreciates the Commission's efforts in examining the CTF to further the Commission's universal service goals and to ensure that ratepayer funds are prudently spent.

ORA's recommendations are consistent with California statute and the Commission's 1996 adopted Universal Service Principles and Objectives.

¹⁹ ORA CTF Phase II Workshop Presentation Power-point slides 11-13 (served March 10, 2014) (see Appendix A).

Respectfully submitted,

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