

**DRAFT****PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division  
Carrier Branch****RESOLUTION T-16901  
December 2, 2004****R E S O L U T I O N**

Resolution T-16901. Authorization and Requirement For  
Tariff Cross Reference To SBC California Tariffs for  
Publication of Telecommunications All-End-User Surcharges.

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**Introduction And Summary**

By this order we authorize and require all certificated telecommunication carriers required to file tariffs with the Commission to become effective no later than January 1, 2005 to concur with the Pacific Bell (d.b.a. SBC California) tariffs on the Commission's Public Program surcharges and Reimbursement Fee. All other certificated carriers, except for SBC California, will no longer be required to revise their tariffs to reflect surcharge changes. The new language will require only one change by such carriers to their tariffs to accommodate future surcharge and fee revisions, as afforded by Public Utilities Code Section 492.

**Background**

In response to a commitment to and in compliance with legislative mandates for providing universal service, a concept that basic telephone service be affordable and ubiquitously available to all members of society, the Commission has created various public programs to achieve this goal, including:

- California High Cost Fund-A (CHCF-A)
- California High Cost Fund-B (CHCF-B)
- California Teleconnect Fund (CTF)
- Deaf and Disabled Telecommunications Program (DDTP)
- Universal Lifeline Telephone Service (ULTS)

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The Commission mandates telecommunications carriers to collect and remit all-end-user surcharges to support the current five public programs in California. The all-end-user surcharge amounts and billing exemptions vary from program to program, and the Commission approves periodic adjustments based on the forecast demand for the programs.

In addition, the Commission annually sets a Commission Reimbursement Fee to be paid by the telecommunications carriers. This fee is based on the telecommunications carrier's gross intrastate customer billings, excluding inter-carrier sales, equipment sales and directory advertising. The purpose of this fee is to finance the Commission's annual operating budget.

The Public Program surcharges and Reimbursement Fee are billed and collected by the telecommunications carriers, and they, in turn, remit the surcharges as directed by the Commission.

**Discussion**

For each periodic adjustment of the surcharge and user fee levels the Commission approves, over two hundred carriers typically file advice letters with the Telecommunications Division (TD) to implement the revision. In 2004 to-date, the public program surcharges have changed three times. Requiring carriers to file tariffs to implement changes in the surcharges accounts for 15 percent of the approximately 4000 advice letters handled annually by TD. Processing these Public Program surcharge advice letters requires 55 percent of a Management Service Technician's (MST) work time, and substantive review of the filings themselves requires another 40 percent of one analyst person-year. In addition to the TD workload tied to administering surcharges, California carriers collectively expend many multiples of that time to administer these tariff changes, which can be entirely avoided, if the Commission takes simple steps to streamline one of its processes.

TD believes that the current process is unnecessarily costly and inefficient for both the Commission and subject carriers, and recommends that the Commission require carriers to revise their tariffs one more time to eliminate these frequent surcharge changes. Pursuant to PU Code Section 492, a group of carriers may have one carrier file a joint tariff on behalf of all the other carriers. The remaining carriers then file a concurrence with the joint tariff. Therefore, TD proposes to require all certificated carriers file a generic tariff reference to become effective no later than January 1, 2005, to concur with SBC California tariffs on the Commission Public Program surcharges and the reimbursement fee. All other certificated carriers, except for SBC California, will no longer be required frequently to revise their tariffs to reflect the frequent surcharge and fee changes. The new language will require only one change to a specific carrier's tariffs to accommodate future surcharge and fee revisions.

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We agree with TD's recommendation to eliminate the current tariff process for revising surcharges and fee, as indicated in this resolution only and, instead, to authorize and require carriers to file a generic tariff references to become effective on January 1, 2005 to accommodate future surcharge and fee revisions. Our action today is especially appropriate, because we initiate changes to public program surcharges and user fees and our changes apply uniformly to all carriers.

**Comments**

In accordance with P.U. Code Section 311 (g), TD mailed a copy of the original draft resolution on November 2, 2004 to all utilities filing tariffs and other interested parties. Comments received on a timely basis will be addressed in any final resolution.

**Findings**

- 1) Public Programs surcharges and Reimbursement Fee are adjusted periodically based on the forecast demand for the programs, and in 2004 to-date, there have been three changes to the surcharges.
- 2) The current process requires each carrier to submit changes to its tariffs with TD to implement any changes in the surcharge or fee amounts for the programs and fee items identified in this resolution.
- 3) The process accounts for 15 percent of the approximately 4000 advice letters filed annually, and requires 40 percent of an analyst person-year to review and 55 percent of an MST person-year to process.
- 4) California carriers collectively expend many multiples of that time to administer these tariff changes.
- 5) We initiate changes to public program surcharges and user fees and our changes apply uniformly to all carriers.
- 6) We agree with TD's recommendation to eliminate the frequent revisions to carrier tariffs to implement surcharge and fee changes identified in this resolution.
- 7) PU Code Section 492 authorizes a group of carriers to have one carrier file a joint tariff on behalf of all the other carriers. The remaining carriers then file a concurrence with the joint tariff.
- 8) We agree with TD's recommendation to require carriers to file a generic tariff reference to concur with SBC California tariffs on the Commission's Public Program surcharges and the Reimbursement Fee.

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**Order**

1. All certificated telecommunications carriers required to file tariffs with the Commission shall amend their tariffs to become effective by January 1, 2005, to reflect that they concur with the Commission's Public Programs all-end-user surcharges and Reimbursement Fee as currently filed by Pacific Bell (d.b.a. SBC California) tariffs, and should apply the current surcharge and fee amounts on their respective end user bills until further revised.
2. The following language or equivalent should be used in the tariff to replace the existing carrier tariff reference(s) to Public Program surcharges and Reimbursement Fee: Pursuant to Resolution T-16901, all telecommunications carriers are required to apply CPUC mandated Public Program surcharges and Reimbursement Fee to all intrastate services. For a list of the Public Program surcharges and Reimbursement Fee, and the amounts, please refer to the Pacific Bell (d.b.a. SBC California) tariffs.

This resolution is effective today.

I hereby certify that the Public Utilities Commission at its regular meeting of December 2, 2004, adopted this resolution and that the following Commissioners approved it.

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STEVE LARSON  
Executive Director