

PUBLIC UTILITIES COMMISSION

Office of Governmental Affairs

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June 11, 2008

The Honorable Lloyd Levine, Chair
Assembly Utilities and Communications Committee
State Capitol, Room 5136
Sacramento, California 95814

RE: SB 1437 (Padilla) - As Amended April 22, 2008 – SUPPORT
Status: Assembly U&C Hearing – June 16, 2008

Dear Assemblyman Levine:

On May 15, 2008, the California Public Utilities Commission (Commission) voted unanimously to support SB 1437, which would allow California Community Colleges (CCC) to participate in the California Teleconnect Fund (CTF). The CTF is administered by the Commission to provide discounted telecommunication rates for qualifying schools, hospitals and other specified entities.

However, the Commission requests that subparagraph (a) of proposed section 280.1 of the Public Utilities Code be struck from the bill. It is a vague and highly subjective requirement. The Commission assumes that it is a reference to the fact that a couple of the large telecommunications providers have refused to provide discounted broadband services to Community Based Organizations (CBOs) through the CTF program on the grounds that the state is federally preempted from regulating broadband services. This problem has recently been addressed by the willingness of small companies, like 01 Communications, to participate in the CTF program in order to provide discounted broadband services to CBOs.

Please see the attached analysis for a full explanation of the Commission's position.

If you have any questions or wish to discuss this matter further, please do not hesitate to call me at (916) 327-8441.

Sincerely,

A handwritten signature in cursive script that reads "Pamela C. Loomis".

PAMELA C. LOOMIS
Director

Attachment

cc: The Honorable Alex Padilla, Member, California State Senate
Members, Assembly Utilities & Commerce Committee
Daryl Thomas, Assembly Republican Caucus/Policy Office
Paul Navarro, Deputy Legislative Secretary, Office of Governor Arnold Schwarzenegger