

## Q &A on the California Teleconnect Fund Program

1. Is it necessary to file an application annually with the CTF or is it just done when there is a new telephone line(s) to add for the purpose of an E-rate discount?

Once your organization has been approved for the California Teleconnect Fund (CTF), you don't need to reapply with the California Public Utilities Commission annually. However, you must inform your telephone service provider that your school is a CTF participant each time you add a new telephone line. By law, the carriers are required to first apply the e-rate discount before applying the CTF discount. Thus, it will benefit your organization if you have an E-rate discount. If you need further information on the CTF program, please contact Fe N. Lazaro at (415) 703-2627. Otherwise, contact the FCC at <http://www.universalservice.org/sl/for E-rate discount information>.

2. I have two customers that have the same application number and I am not sure what to do. I am showing that they both have 542 as the application number. We use your application number as our proof of discount.

*The CTF discounts apply to four different segments of the industry: schools, libraries, community based organizations, and government-owned hospitals or clinics. Each segment (except schools & libraries) is assigned an application number that starts with "1" and therefore, you may see duplicate numbers between schools and libraries (treated as one segment for application numbering purposes only) and community based organizations.*

3. We are a wireless ISP interested in providing Internet and WAN services to schools and libraries. How we can become an approved carrier for this program?

*Currently, only telecommunications service providers that are regulated by the California Public Utilities Commission (Commission) that offer California Teleconnect Fund (CTF) eligible services are required to provide CTF discounts to their customers. Since the Commission does not regulate or issue certificates of public convenience and necessity to internet service providers (ISPs), they cannot participate in the program. In addition, ISPs do not collect surcharges from their customers for public purpose programs, such as the California Teleconnect Fund program, and therefore, cannot claim CTF reimbursement from the program.*

4. How does my group qualify for the CTF program?

*It must be a community-based organization which represents the community it serves and offers health care, job training, job placement, computer training, or educational instruction on a regular daily basis to its neighboring community. In addition, it must have a 501(C) (3) tax exempt status letter and Form 990.*

5. Is there a limit on the number of lines that can be offered to CTF customers?

*There has been no limit on number of CTF services since May 8, 2003. Limits on discounted CTF services exist for periods prior to May 8, 2003 for CBOs and hospitals.*

6. Our group is newly eligible for CTF. We have an 800 (toll free) Inbound line. Is this service eligible?

*Toll-free (800 service) is a separate class of service and is not discountable under the current CTF program. It is not considered as a functional equivalent of any eligible CTF services.*

7. I am trying to verify that the Opteman Service with AT&T is eligible for the teleconnect discount. This service ranges from a 10 mbps to 1000 mbps (1 gbps) and is an optical service. It is definitely functionally equivalent to something less than an OC192. The range would be somewhere between an OC 12 and an OC

48. Could you please verify for me that the Opteman service should have a teleconnect discount applied to it?

*Opt-E-MAN (Optical Ethernet Metropolitan Area Network) is an advanced service offering networking capabilities utilizing optical ethernet. It provides bandwidth ranging from 5 Mbps to 1 Gbps. It is a tariffed service by SBC (now AT&T) and should be qualified for 50% CTF discount.*

8. How do I find out about approved CTF applications?

*They're available on the Internet. You should be able to view the list at the following link:*

<http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/CTF/CTFList.htm>

*If this link does not work, go to the Commission home page at [www.cpuc.ca.gov](http://www.cpuc.ca.gov) and run a search for "teleconnect."*

9. We are filling out the California Teleconnect Fund form. Under the K-12 Non-Profit Private Schools section, it asks for our "14-digit CDE Code number." Please tell us what this number is. Without any warning, our telephone bills went up 100% and we're getting disconnect notices!

"CDE" stands for California Department of Education Code Number. It is on our website and part of the CTF application and instructions link. With respect to the telephone bills, the only explanation is that AT&T has now implemented SB 1102, which requires carriers to first apply the E-rate discount before applying the CTF discount. (You should have received SB 1102 notice from either your carrier, CPUC, or school district.) What this means is that if the school or library does not have an actual E-rate, its CTF discount will be reduced. Please contact your

carrier for an informal resolution of the issue. If you are not satisfied with their response, you can contact PUC staff at (415) 703-2627.

10. How does a vendor apply to become an approved vendor and what is the turn around time?

*The carrier must first obtain a certificate of public convenience and necessity (CPCN) from the Commission and must have the California Teleconnect Fund provisions in its tariff. [For more information on the CPCN, please contact Richard Fish at (415) 703-1923.] Once the carrier receives its CPCN and has CTF provisions in its tariff, they must Fe N. Lazaro at [fnl@cpuc.ca.gov](mailto:fnl@cpuc.ca.gov) to list them as one of the CTF participating carriers.*

11. We are a telecommunications company who services organizations that are eligible for the CTF discount, but we are not listed as a CTF participating carrier. How do we get this corrected?

*If you are a CLEC (competitive local exchange carrier) and have CTF tariff provisions on file with the Commission, you can contact Fe N. Lazaro at [fnl@cpuc.ca.gov](mailto:fnl@cpuc.ca.gov) to post your name on the Commission website.*

12. We are an active participant and already have an application number. Do we have to apply every year for the California Teleconnect Fund? Do we use the same application number when applying?

*No. You only need to apply for CTF once, not every year. You can contact your telephone service provider to subscribe to additional CTF-eligible services. Please inform the carrier's customer representative that you are a CTF participant.*

13. Is there any cap to the CTF Fund?

*The original fund cap set at \$50 million is on page 86 of D.96-10-066. On July 12, 2001, the Commission issued resolution T-16542 which added OC-1, 3, 12, 48, and 192 (high speed, high capacity lines) as eligible services and increased the fund cap to \$55 million. The fund cap increase was based on some projection of increased CTF participation as well as a potential need for additional funds to cover the high speed, high cost services added to the program. The fund cap increase went into effect on July 1, 2002. There have been no other decisions or resolutions affecting the fund cap since then.*

14. Does the E-Rate program provide subsidies for DSL or for internet service provider services?

Yes, the E-rate program provides discounts for Digital Subscriber Line. Leased data circuits that connect an eligible school or library facility to other locations beyond the school or library, including an Internet Service Provider, are eligible for discount as a telecommunications service. In addition, the E-rate program

offers discount to broadband internet access, cable modem service, etc. Service providers for internet access need not be eligible telecommunications providers. For more information on services eligible for E-rate discount, please click at the following link: <http://www.universalservice.org/sl/applicants/step06/>

15. We need some clarification because there are different interpretations of what is required in the CTF Tariff and what Administrative Letter 13 meant.

I was always under the impression from the original start with the staff that all the CTF items we claim needed to be identified in our Tariff, so I have always defined my functional equivalents. Some companies think the wording functional equivalent covers them without defining what that means to that company. When I recently got clarification that DID with ISDN-PRI was a functional equivalent of measured business service I was told to put that into the Tariff and I did. Other companies are asking me why bother. What is correct? I will share the response so the Tariff Committee will be consistent.

*This is to clarify that carriers providing CTF-eligible services that are the functional equivalent of measured business service (switched 56, ISDN, T-1, DS3, etc.) are required to file appropriate tariff sheets identifying such functional equivalent services, pursuant to Appendix B, Rule B(3), (C)(1), D(1) of D.96-10 066. Furthermore, identification of functional equivalent service in the carrier's tariff will not only ensure that the service is, in fact, eligible for CTF discount, but will also protect the carrier in the event of a CTF program audit.*

16. I'm getting ready to do my first claim filing and want to get clarification on a couple things:

- Does "fiscal year" mean the federal program's funding year (e.g. E-Rate) which runs 7/1/xx through 6/30/xx?

*Yes, the State's fiscal year is the same as the Federal funding year, July through June.*

- On the new claim form (Res. T-16763), there is no section for method of payment and payee information. I'm assuming payment will be made via a check and will be sent to person who fills out the form and certifies it?

*Yes as well. The check is sent to whomever the carrier has designated in their Form 204, payee data form.*

17. We have a situation where a CTF participant who also participates in E-Rate, and they reach their E-Rate cap within the funding year (e.g. customer reaches E-Rate cap in April of the current funding year), does the service provider apply the state-

wide E-Rate percentage for the remaining months of the funding year (May & June) or is the customer entitled to the CTF discounts on their entire, non-E-rate discounted, expenses for the remaining months?

*The actual E-rate % must first be imputed for May and June billing before applying the 50% CTF discount on the remaining billed amount.*

18. We spoke about two weeks ago about one of Mpower Communications Corp.'s CTF customers that has acquired another company (not an approved CTF customer, but most likely eligible if they had applied on their own). You advised that the acquiring company (which is also an eligible and current CTF customer) sends a letter to your attention notifying the CPUC of the acquisition. I noticed today that the acquired company (not approved for CTF discounts) has changed the company name on their accounts to the name of the acquiring company (the eligible CTF customer). The installation dates of services are the same as they were when the acquired company first installed services with Mpower. Now, I am not sure how to handle the CTF discounts. Because of the name change, now in Mpower's database, it looks like the accounts in question have always belonged to the CTF eligible customer.

Please let me know whether we should start giving CTF discounts on these lines. If we are to give CTF discounts, for what period?

*When an approved entity adds a new line to the existing location, the date of the discount is the date customer notifies their carrier. However, if the approved applicant has acquired a new entity, they should have notified the Commission and a new application should have been filed. But to facilitate the approval process, what we need is a letter from the approved entity adding the new location to their existing approved applicant if they adopted the same entity name and the documents supporting the acquisition. The effective date of the discount should be date the Commission receives those documents if everything is in order and their annual income does not exceed \$50 million.*

19. Do you have a place on your website that shows exactly what phone services/charges are included as eligible for the California Teleconnect Discount?

*Please click on the link below for the list of eligible services. However, the charges for the services vary by carrier. Please call your telephone service provider for their charges, as well as the charges for the functional equivalent of the listed CTF-eligible services.*

<http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/CTF/index.htm>

20. Can the CPUC provide me with a list of the telephone numbers belonging to a particular school district covered by DAS/CTF?

*No. That information is no longer available. When the procedure changed in June 2003 existing customers no longer had to contact the CPUC to change or expand their CTF service. Therefore, the CPUC has no information specific to telephone numbers that belong to any CTF participant.*

21. I have questions regarding the CBO Credit and a tariff. Say we offer a bundle package that falls under a monthly recurring fee and includes significant amounts of usage including Local, Intralata, Intrastate and Interstate. Would this fall under the 50% reimbursement for the CBO customer and the Carrier?

*The 50% discount applies only to the CTF-eligible service line that is bundled with the non-CTF services. Local, Intralata, Intrastate, and Interstate usage are not eligible for discounts.*

22. We are a private school that has advised Frontier that we do not qualify for Federal e-rate support. We are requesting them to remove the imputed 72% Federal e-rate from our bill. Is it acceptable to remove the Federal e-rate discount without a formal rejection from USAC?

*Unless the school has a formal rejection from the School and Library Division or their funding commitment letter indicates a 0% E-rate, the imputed E-rate will continue to apply prior to applying the CTF discount. Please apply for the E-rate to determine whether you are not, in fact, qualified for E-rate.*

23. We have a customer who has filed for a refund but before we process it, we need confirmation from the Commission:

- For the purpose of figuring the base on which the NRC and MRC discounts are calculated, do I use total PAID or BILLED? As part of our normal course of business, customers are granted credits for various reasons and consequently their balances are affected. I would like to pay out on PAID, but am looking for your concurrence.

*It should be based on the billed amount.*

- Is there a restriction on when or how the refund is issued? For an ongoing account like this, I would prefer to issue the refund on a quarterly, semi-annual or even annual basis. Is there any restriction on doing that?

*The CTF discount should be provided to the customer on a monthly basis. However, when a carrier's total claims for a six month period are less than \$2500, the carrier may file for claim reimbursement with the Commission semiannually. Semi-annual reports must be on a January-June, July-December basis.*

- Please verify whether or not the application is good for just the parent (main) account or for all of the sub-accounts. For example, the account in question has 6 associated accounts with different site locations and account numbers.

*Yes, you can proceed with the discount for all the sub-accounts as well.*

24. Will the California Teleconnect Fund help with my internet service?

*Yes, the CTF Program provides discount on DSL and T-1 for internet use. However, because these services are regulated by the FCC, only certain telephone service providers (TSP) that are certificated by the Commission are willing to offer them at CTF discount. Please contact your TSP to ensure that your services will be discounted.*

25. Can an eligible entity certify multiple locations, including its own and other employees' homes, and/or students/CBO patrons' homes as eligible locations because of their affiliation with the eligible entity?

No. A residential location is not eligible to receive discounted service through a CTF discount. The CTF discount is only available to qualifying entity's locations that directly provide job training, job placement, educational instructions, health care, or computer training to the community/public.