

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of

Broadband Needs in Education,
Including Changes to E-rate Program to
Improve Broadband Deployment -
NBP Public Notice #15

GN Docket Nos. 09-47, 09-51, 09-137

CC Docket No. 02-6

WC Docket No. 05-195

**COMMENTS OF
THE CALIFORNIA PUBLIC UTILITIES COMMISSION
AND THE PEOPLE OF THE STATE OF CALIFORNIA
NBP PUBLIC NOTICE #15**

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The California Public Utilities Commission and the People of the State of California (CPUC or California) file these brief comments in response to the Federal Communications Commission's (FCC or Commission) NBP Public Notice #15 seeking comment, as part of the Commission's development of a national broadband plan, on various issues related to broadband access in education. The FCC seeks comment on modifications to the schools and libraries universal service support mechanism (the E-rate program) to improve broadband deployment to meet the instructional and informational needs of schools and libraries. In response to Question 11.d of the Public Notice, the CPUC provides the following information regarding the cost to California of providing monthly discounts on telecommunications and Internet access service charges to California community colleges.

I. E-RATE MODIFICATIONS: THE IMPACT OF MODIFYING THE STATUTE TO PERMIT COLLEGES, COMMUNITY COLLEGES, PRE-KINDERGARTEN, HEADSTART, OR OTHER ENTITIES TO PARTICIPATE IN THE E-RATE PROGRAM (QUESTION 11.D)

The CPUC administers the California Teleconnect Fund (CTF), a statutorily-mandated program that provides a 50% discount on select telecommunications and Internet access monthly recurring services to qualifying schools, libraries, health care organizations, and non-profit community-based organizations. Funded by a 0.079% surcharge on telecommunications carriers' end-user intrastate billings, the CTF program reimburses carriers for discounts provided to eligible participants. The program has a budget of \$46.554 million for fiscal year (FY) 2008-09 and \$60.340 million for FY 2009-10.

Beginning December 1, 2008, the program started providing the discount to California community colleges pursuant to CPUC Decision (D.) 08-06-020 and California Senate Bill 1437¹ which amended the California Public Utilities Code to add community colleges to the CTF program. California community colleges offer technology centers with computers for Internet access and technology assistance and provide residents with access to technology and Internet services in a fashion similar to K-12 schools and community-based organizations. California's expansion of the CTF program to include community colleges, which serve a population of approximately 2.9 million adults per year -- approximately 30 percent of whom are low-income students -- will enhance the state's goal of bridging the digital divide in the communities such colleges serve. In addition, allowing community colleges to increase access to advanced communications technology will help the community colleges to better train and serve their students.

California has 110 community colleges. Effective December 1, 2008, approximately 9 of the 53 CTF participating telecommunications carriers began offering the 50% discount on CTF-eligible monthly recurring service costs for 86 of those 110 California community colleges. Of the total annual CTF budgets identified above, the CPUC established budget caps of \$4.462 million and \$7.874 million for FY 08-09 and FY 09-10, respectively, for California community college participation.² As of

¹ Statutes 2008, chapter 718.

² The annual community college budget cap was based on the annual budget of \$7.2 million 2007 dollars adopted in D.08-06-020, adjusted annually based on the Western-Consumer Price Index rate. However,

November 13, 2009, the CPUC has reimbursed carriers approximately \$2 million of the \$4.462 million FY 2008-09 annual budget cap for discounts given to California community colleges.³ For FY 2009-10, the CPUC to date has expended approximately \$0.5 million of the \$7.874 million budget cap for California community colleges for CTF-eligible charges. The CPUC expects that by the end of FY 2009-10, more community colleges will have taken advantage of the CTF funding.

II. CONCLUSION

The CPUC appreciates this opportunity to advise the Commission on California's expansion of its CTF program to California community colleges. We hope the Commission finds this information on the costs of providing monthly communications service discounts to community colleges helpful as it develops a national broadband plan.

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for FY 08-09, the amount is pro-rated since the community college CTF discount implementation did not commence until December 1, 2008.

³ The fiscal year in California runs from July 1 to June 30.

Respectfully submitted,

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